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## ABSTRACT OF THE DISSERTATION

Defense Reform in Central Europe and the Challenges of NATO Membership

The Case of Hungary

by

Brad A. Gutierrez

Doctor of Philosophy in Political Science

University of California, San Diego, 2002

Professor Ellen T. Comisso, Chair

Since the end of communism in Central Europe, the former Soviet satellite states have sought closer relations with the West. An immediate goal was membership in NATO. To meet the conditions of membership, the former Warsaw Pact members had to make significant reforms within their defense establishments that would meet NATO's interoperability requirements. Despite the incentive of potential NATO membership, the development and implementation of such reforms has been slow. The objective of this study is to answer the research question, "Why has defense reform proven so elusive in an environment where key actors agree on the desirability, necessity, and the benefits of its formulation and implementation?"

Through field work, including archival research and interviews with various Hungarian military and governmental officials, and secondary source research, I conclude that the key reasons for slow reform lie in a combination of three factors: 1) the lingering legacies of communist period, 2) the failure of NATO to create incentives for Hungary to undertake reforms necessary to join and integrate its forces within NATO, and 3) the post-communist tendency to subordinate defense policy to shifting partisan interests. As a result of these factors Hungary failed to develop a *stable* organizational structure that unquestionably demarcates jurisdictions of military officers and civilian officials, to develop defense-related civilian expertise and military officers who are trained for strategic planning, and to allocate sufficient funds by increasing the defense budgets or reallocating the budgets to prioritize the reform programs.

The defense ministry reorganizations in the 1990s created instability in the civilian leadership of the ministry. The reorganizations cost the ministry vital civilian expertise gained through on-the-job training, and ultimately failed to address the most important organizational issue, the integration of the General Staff into the ministry. The failure to develop civilian expertise and to train military officers for strategic planning jeopardized civilian oversight and delayed the development of national security strategies to guide reform planning. Additionally, Hungary's post-communist governments and military failed to allocate sufficient funds for the implementation of several reform programs.

UNIVERSITY OF CALIFORNIA, SAN DIEGO

Defense Reform in Central Europe and the Challenges of NATO Membership

The Case of Hungary

A dissertation submitted in partial satisfaction of the  
requirements for the degree Doctor of Philosophy in

Political Science

by

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2002

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## DEDICATION

I would like to dedicate this manuscript to those individuals, without whose support I would never have finished: to Natalie and Wendel for their long-standing and continued support throughout the years of coursework and writing, to Beth for her constant encouragement when motivation waned and the pressures of work overwhelmed my energy to sit down at the computer, and to Fran, the most supportive colleague a person could ever have.

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Through field work, including archival research and interviews with various Hungarian military and governmental officials, and secondary source research, I conclude that the key reasons for slow reform lie in a combination of three factors: 1) the lingering legacies of communist period, 2) the failure of NATO to create incentives for Hungary to undertake reforms necessary to join and integrate its forces within NATO, and 3) the post-communist tendency to subordinate defense policy to shifting partisan interests. As a result of these factors Hungary failed to develop a *stable* organizational structure that unquestionably demarcates jurisdictions of military officers and civilian officials, to develop defense-related civilian expertise and military officers who are trained for strategic planning, and to allocate sufficient funds by increasing the defense budgets or reallocating the budgets to prioritize the reform programs.

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# **CHAPTER I**

## **INTRODUCTION<sup>1</sup>**

### **Setting the Stage**

In March 1999, the Czech Republic, Hungary and Poland were welcomed into the North Atlantic Treaty Organization (NATO) as full members. This marked a milestone in a nearly decade-long crusade on the part of Czech, Hungarian, and Polish leaders for internationally recognized reintegration into Western Europe. At the same time it initiated increased pressure from NATO and its members on the new inductees for organizational and operational reforms that would improve their capacities for interoperability with the alliance.

Laden with out-dated Soviet hardware, tactics, and organizational structures, the Czech Republic, Hungary, and Poland need to undertake significant modernization plans and organizational/operational reforms in order to fulfill their pledges to be meaningful contributors to European security, rather than simply free riders on the NATO train. Expected reforms include, but are not limited to, development of national defense strategies and military doctrines that complement those of other NATO members, personnel restructuring to eliminate the Soviet-era rank structure that emphasized large numbers of senior officers, equipment modernization to achieve interoperability with NATO, increases in defense spending to meet NATO's target

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<sup>1</sup> Throughout the summer of 1998 and summer and fall of 1999, this author was in Budapest conducting numerous interviews with numerous high-ranking government and military officials. In return for their candor and willingness to provide information on a very sensitive and politically volatile issue, I agreed to refrain from attributing specific statements to specific people where such attribution may prove professionally or personally damaging. If further information about any of the interviews is desired, please contact the author.



levels of 2.0-2.5% of national GDP, and clarification of chains of command to eliminate ambiguities in civil-military relations. As of the spring of 2001 all three new members had made some progress, but more remained to be done to meet NATO's reform expectations. These priorities are significantly affected, if not determined, by the responsibilities given each state by the NATO leadership. The end result of all this is that NATO, while professing not to be a replacement for the Warsaw Pact, effectively has dictated and will continue to dictate the majority of the modernization and reform measures undertaken by the new alliance members.

The books and articles written since 1990 on the subject of Central European national security and the state of the region's militaries have detailed the challenges that face the governments and militaries of the region as they redefine their roles in a post-Cold War world. What is missing in this literature is an explanation of why the process of reform has been plagued by endless fits and starts resulting in militaries that have made only limited progress in achieving the level of compatibility desired by NATO. The difficulties in formulating and implementing reform become more troublesome to understand when it is noted that civilian and military leaders in the three new NATO members have all expressed their steadfast desire to become contributing members of the alliance and to do whatever is necessary to meet NATO's expectations.

While no one has expected the reforms to be formulated, agreed upon, and implemented overnight, a careful review of the efforts between 1990 and 2001 raises concerns for NATO leaders about the speed with which the states will be able to

achieve the necessary reform results. NATO officials, including NATO's Supreme Allied Commander General Joseph Ralston in the late 2000/early 2001, have chided the Czech Republic, Hungary, and Poland numerous times for the lack of spending on defense reform initiatives and the slow pace at which they are being implemented (Warsaw PAP 2001 and Budapest Kossuth Radio 2000). Much of what has transpired in the years since 1990 has been the product of crisis management by governments, usually predicated on the economic situation at the time. This approach runs counter to the Western ideal of formulating carefully planned reforms based on national strategies and doctrines that account for military capabilities and existing or perceived security threats. The answers to NATO's concerns could play a key role in determining the pace of future NATO enlargement.

One Hungarian complaint voiced by numerous interviewees was that a fundamental reason for Hungary's failure to meet NATO "standards" was that those standards were not clearly enunciated to the candidate countries. Respondents to this complaint would point to NATO's 1995 *Study on NATO Enlargement* and US Defense Secretary William Perry's list of four principles for expansion (later to be known as the Perry Principles) as examples of tangible criteria publicized for the benefit of Central European states wishing NATO membership. The problem is that neither of these documents offered detailed requirements for membership, despite requests dating back to 1994 from Polish, Hungarian and Czech officials that NATO publish explicit criteria for membership, and if it would not, then to explain why (Grayson 1999, 162). The Perry Principles offer four guidelines for expansion. They include, 1) new

members must be prepared to defend the alliance and have the capable, professional military forces to do it, 2) new members must uphold democracy and free enterprise, protect freedom and human rights inside their borders, and respect sovereignty outside their borders, 3) new members must respect the proud history, culture, and traditions of all members, and 4) the military forces of new members must be capable of operating with NATO military forces including having open defense budgets, commonality of defense doctrine and commonality of some equipment (Perry 1995). The *Study on NATO Enlargement* offers similarly vague direction. It stipulates that prospective members must, 1) demonstrate a commitment to and respect for OSCE norms and principles, including resolution of ethnic disputes and external territorial disputes, 2) show a commitment to promoting stability and well-being by economic liberty, social justice, and environmental responsibility, 3) establish appropriate democratic and civilian control of their defense force, and 4) undertake a commitment to ensure that adequate resources are devoted to achieving the obligations of [alliance membership] (*Study on NATO Enlargement* 1995).

The above lists hardly represent quantifiable standards against which aspiring states could measure their progress in meeting NATO's expectations for membership. It was not until after the 1997 Madrid Summit during which Hungary, along with Poland and the Czech Republic, was invited to begin accession talks with NATO that Budapest received a detailed assessment from NATO concerning Hungary's military needs and a list of tasks and timeframes for the accomplishment of these tasks (Dunay 2001, 258). The key determinant of who the new members would be was political

acceptability to the rest of the alliance. As Jonathan Eyal points out, the list of potential new members for the first round was known long before Madrid (1999, 29). Along with the three successful applicants, the list also included Slovakia. But Slovakia's messy internal political situation caused its removal from the initial list, and this removal has been touted as evidence that NATO paid close attention to its membership criteria (pg. 29).

Hungary, the primary focus of this study, has received the advice of various British, German, and American defense experts who have conducted a host of studies designed to reveal the underlying problems and to offer strategies with which the Hungarians could make significant steps forward.<sup>2</sup> Although the studies have been largely unanimous in many of their recommendations, for example, the integration of the General Staff into the Ministry of Defense, many of these reforms remain unrealized. Given the public and private statements in support of defense reform by both civilian and military leaders since the creation of the Partnership for Peace program in 1994, the slow pace of reform begs to be explained.<sup>3</sup> While it is reasonable to assume that such a unified objective would help build the domestic consensus necessary to reform

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<sup>2</sup> The British Ministry of Defense has conducted at least two in-depth studies, the first in October-November 1995 concerning the control of the defense forces and the second in February 1998 concerning the defense planning system. The German Ministry of Defense, at the request of the Hungarian General Staff, assigned a team in March-June 1995, headed by an army colonel, to provide NATO and German expertise in military-political, strategic, operational, and tactical matters to the Hungarian military. The United States presently has two defense consulting companies on contract in Hungary advising the government, the Ministry of Defense, and the General Staff on how to design and implement the reforms necessary to create a NATO-compatible military.

<sup>3</sup> It is difficult to find a Hungarian newspaper published in the 1990's quoting a government or military leader on the issue of NATO membership that does not include the assertion that Hungary strives to be a full member enjoying the protections it provides and fulfilling the responsibilities it demands.

national security and defense issues, the history of the past ten years suggests that such a domestic consensus has not developed.

This study moves beyond the list of challenges and attempts to answer the question, "Why has defense reform proven so elusive in an environment where the key actors agree on its desirability, necessity, and the benefits of its formulation and implementation?" The necessity of reform is acknowledged by civilian and military leaders due to its importance in establishing the Hungarian Army as a viable defender of national interests and because of Hungary's desire to meet NATO's membership requirements. As NATO eyes another round of expansion, the stakes for Hungary's success or failure multiply. Not only is the international reputation and credibility of Hungary as a NATO member open to judgment, but also the fate of aspiring members hoping to follow Hungary into NATO may be affected by Hungary's ability to make the transition from a mass Warsaw Pact army to a professional NATO army. With the eyes of NATO and future prospective members upon them, the failures of the Czech Republic, Hungary and Poland are likely to be used as benchmarks to determine future NATO expansion guidelines and expectations. By gaining an understanding of the reasons for slow defense reform in the three new NATO members, other aspirants and their advising supporters should work to avoid the same pitfalls, thus making the transition to NATO membership easier.

Sources within which an explanation may be found for this puzzle include the writings in the international relations field on alliances and their formation, the dynamics of bureaucratic reform, and the body of principal-agent literature. For

reasons that will be expanded on in the following chapter, all of these are useful, but not completely satisfactory in explaining the lack of progress in defense reform in Central Europe. The scope of political and economic change the world witnessed in the immediate post-Cold War era, and the speed with which these changes occurred in Central Europe, elicits a need to supplement the above theoretical treatments of alliance dynamics, reform, and principal-agent relationships with an analysis sensitive to the particular characteristics of the official mass rejection of communism and quest for Western integration prevalent in post-communist Central Europe. The administrative reform literature, represented by Barbara Geddes' (1994) treatment of Latin America, relies on a clarity of distinction between reform winners and losers that is not achievable in the case of Central European defense reform motivated largely by a desire for NATO membership. The alliance and principal-agent literatures provide more useful analytical tools for this discussion. Using their foundations, this study extends the analytical power of these approaches by examining factors specific to the transitional post-communist environment in Hungary that produced reform failure.

### **The Thesis**

The thesis presented in the following pages and chapters highlights three key variables that explain Hungary's defense reform failures. These variables include: 1) the legacies of the 40-year Warsaw Pact experience, 2) the failure of NATO to create incentives for Hungary to undertake the reforms necessary to join and integrate its forces within NATO, and 3) the post-communist tendency to subordinate defense policy to shifting partisan interests. As a result of these variables, Hungary failed to

develop a *stable* organizational structure that unquestionably demarcates jurisdictions of military officers and civilian officials, to develop defense-related civilian expertise and military officers who are trained for strategic planning, and to allocate sufficient funds by increasing the defense budgets or reallocating the budgets to prioritize the reform programs.

The importance of a clear jurisdictional demarcation between civilians and military officers, the presence of both civilian and military experts in national security strategic planning, and sufficient budgetary commitments to sustain day-to-day operations while also pursuing reform programs cannot be overstated. This is particularly true in the case of Hungary and other post-communist countries looking to distance themselves from their Soviet-controlled past and move closer to the standards of NATO and the European Union. The challenge of designing on paper the institutional relationships necessary to assure democratic civilian control of the military is easier to overcome than the task of removing the socialization of 20 and 30-year military veterans who enjoyed high levels of operational autonomy during the Soviet era. While the tradition of strong Communist Party control over the military was a positive influence on the military at the time of the transition, leading to virtually no threat of a military coup in Hungary during the regime change, the Party's cooptation of the military offered senior military leaders a strong voice in determining the military's fate during the communist period. Antithetical to the Western standard the new regime hoped to satisfy, the new civilian leaders set out to establish new rules of engagement for the military vis-à-vis the formulation of defense policy and

operational independence. That the new “bosses” in town were woefully uneducated in military matters as a result of the Communist-era exclusion of civilians in the study of national security affairs, served only to breed distrust and suspicion between both sides of the civil-military dialogue. As a result, government efforts to codify civilian control have proved much more successful than their efforts to exercise that control.

As this study will reveal, the repeated organizational modifications within the defense establishment, both in the Ministry of Defense and in the Office of the Prime Minister, have hindered reform rather than aided it. The lack of stability in the structure of the defense bureaucracy has provided opportunities for partisan politics to trump necessary reform. The cycle of demilitarization and remilitarization of the ministry staffs has given the military leadership a credible basis on which to argue the position that the lack of civilian expertise demands the continuation of a strong military voice in policy decisions. This has been used effectively to resist the one key organizational reform recommended to every Hungarian government since 1990 by every Western advisor or agency; that being the integration of the General Staff into the ministry staff.

In addition to *de facto* deficiencies in the demarcation of civilian and military authority, the defense establishment has also suffered from a lack of civilian and military expertise in the vital field of strategic planning. While civilians were prohibited from studying security affairs as a general practice during the communist period, the Warsaw Pact was dominated by Soviet thinkers and strategists, making the educating of Hungarian military officers in this field unnecessary. As a result,



Hungary has struggled with the daunting tasks of developing their own national security strategy, national military strategy and military doctrine. In an ideal world, these three fundamental documents provide an outline for national security policy formulation and implementation. The foundation of these documents is the assessment of the core foreign and domestic interests of a country, the threats to those interests, and the necessary military capabilities to respond to those threats.

In the case of Hungary, the struggles to develop these core national security documents, resulting from limited military and virtually nonexistent civilian expertise in the area of strategic planning, have severely hampered the reform efforts. The lack of a strategic vision for the country's armed forces has led to ad hoc attempts at reform with no clear objective beyond the government's desire that the military not consume too great a share of the annual budget.

The concern over the burden defense expenditures imposed on the tight economic environment in the years immediately following the transition cannot be ignored as a fundamental cause of reform failure. As later chapters will detail, the steady decline of the defense budget as a percentage of GDP from 2.8% in 1989 to a low of 1.22 % in 1997 (by 2001 it had returned to 1.61%) left the military leadership with the difficult decision of whether to spend their limited funding on current operational and training requirements or on reform programs whose benefits may be only realized 3-5 years in the future (Dunay 2001, 254). Consistent requests for greater defense spending throughout the 1990s routinely resulted in nominal increases that were more than erased by the level of inflation. The cumulative effect of this numbers game between

the defense ministry and Parliament was that by 1995 the value of the defense budget in real terms was 40% of its 1990 level (*"Keleti Discusses Army Financing..."* 1995, 2). The reality of the financial situation was that the military could fund neither the current obligations nor the reform programs. Subsequently, the current readiness and capabilities of the military declined while the vast majority of the reform programs were left unaddressed.

Underlying the three factors introduced above that are largely responsible for Hungary's defense reform failures are the issues of communist legacies, lack of NATO incentives for reform, and domestic policy choices that subordinated defense issues to other domestic priorities. None of the three causal factors escape the effects of the Warsaw Pact era.<sup>4</sup> The territorial battles between civilians and military officers find their roots in the communist period. Soviet/Communist Party control of the national defense apparatus was far-reaching throughout the Cold War. Soviet "advisors" served oversight functions and approved domestic defense decisions that impacted the Warsaw Pact. Training for all officers was either conducted in Soviet military academies or in local academies with a Soviet curriculum. In general, military officers were taught to take orders in the highly centralized command structure of the Soviet model and not to challenge the strategic and tactical orders of the Soviet high command. The dominance of Soviet doctrine and personnel in the

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<sup>4</sup> The existing literature concerning the effects of Communist legacies on Central Europe's transitional success deals primarily with economics and party system development. Samples of these works include Grzegorz Ekiert's "Do Legacies Matter? Patterns of Communist Transitions in Eastern Europe" (1999), Arend Lijphart and Beverly Crawford's "Explaining Political and Economic Change in Post-Communist Eastern Europe" (1995), and Maria Csanadi's "The Legacy of Party States for the Transformation" (1997). Omitted from this body of work is an examination concerning the effects of forty-five years of Soviet domination and control over the national defense apparatus of the states of Central Europe.

management and operation of the Warsaw Pact left most Non-Soviet Warsaw Pact (NSWP) militaries devoid of strategy and doctrine experts. When the time came for these same militaries to assume the responsibility for their own national defense, they found themselves unprepared for the task. As good military technicians, they could operate their equipment, but they lacked the management and strategic training and experience to manage a democratic army

From the civilian perspective, forty-five years of communism and Soviet control left these countries with a civilian population virtually ignorant in the field of national security affairs. Very few civilians were allowed even the most peripheral exposure to the field during the communist period. These same civilians are now the people charged with controlling, managing and overseeing the militaries that are desperately in need of modernization and organizational reform. While there is a strong desire among civilian leaders to establish their bureaucratic superiority over the military, they lack the necessary expertise to credibly assert their control. They are as inadequate as the military leadership in developing national security strategies and doctrine that reflect Hungarian security needs rather than those of the Soviet Union. In attempts to solidify their control over the military, each successive government tinkers with the organizational structure of the defense establishment. Lacking truly qualified defense experts with the appropriate party label, these governments place party loyalists in power positions in the defense ministry rather than use experts that may have opposition party sentiments. The absence of civilian expertise has also led to a delay in the formation of independent research institutes that could offer valuable

insight and information to policy makers trying to intellectually compete with the military viewpoint presented in most policy debates.

The combined effect of the communist period is a civilian leadership unprepared to fulfill its military oversight and management responsibilities, civilian distrust of the motivations of the military it is charged with controlling, military distrust of the civilian leadership, and a military leadership unprepared for doctrinal/strategic development and the necessary role of “lobbyist” in the high stakes domestic competition for limited resources. It is in the role of lobbyist where the budgetary battles are fought, and lost, in regards to the military. Having not had to beg for funding during the Soviet-dominated Warsaw Pact years, the military entered the transition somewhat spoiled and politically naïve. The premium placed on the depoliticization of the military during the transition also stifled the development of politically savvy advocates for military causes. Civilian eagerness to establish control over the military and refocus budgetary attention to nonmilitary priorities exaggerated the military’s financial condition and their inability to do much about it.

Any liabilities the legacies of the communist period contributed to Hungary’s reform efforts were not significantly mitigated by NATO’s management of the enlargement question. By making the decision about enlargement a political choice based predominantly on political criteria, despite rhetoric to the contrary, NATO failed to create the necessary incentives for Hungary to emphasize defense reform in its domestic political debates. The economics of reform normally require difficult choices on the part of the government to divert funds away from needed social

programs to defense. NATO's downplaying of the rigidity of military requirements for membership temporarily delayed the bulk of the necessary defense spending. Domestically, this was advantageous to politicians seeking to please social-minded constituents concerned more with the social and economic consequences of the transition than the security of a country with no perceived threats.

During the years leading up to the 1997 Madrid Summit, at which membership invitations were offered to the Czech Republic, Hungary, and Poland, NATO focused on the importance of the consolidation of democracy and the settlement of any outstanding disputes between potential new members and their neighbors. Hungary topped the list of concern for NATO as it had long-standing issues with neighboring Slovakia and Romania over the treatment of Hungarian minority populations living in those countries. As stated in their 1995 *Study on NATO Enlargement*, the one thing NATO did not want to do was inherit problems from the past that could eventually lead to potential armed conflicts between members states (such as has occurred sporadically between members Greece and Turkey) (Chap 1, para. 6).

Further evidence that political imperatives drove the NATO enlargement decisions, thereby weakening the incentives for heavy defense reform among potential new members, can be found in public statements by Western officials dating back to the early-mid 1990s. As Sean Kay (1998) points out in his detailed study of NATO and the future security of Europe, the identities of the first invitees to NATO was one of the worst kept secrets in Europe. Eyal points out that after their 1996 elections that ousted the neo-communist government of Iliescu, Romania made an impressive push

to meet the criteria for NATO membership (pg., 31). It was so impressive that Romania was viewed by some to be more qualified, if going strictly by the NATO rules, than some of the three assumed invitees. This forced US Secretary of State Albright to publicly state that the initial class of entrants was going to be limited to three candidates; the identity of which was already assumed to be the Czech Republic, Hungary, and Poland (pg., 32).

The political nature of the membership decision affected the domestic partisan forces in each country. Since hardcore military criteria were not going to be the linchpin determining a successful candidacy, domestic leaders were able to pay greater attention (and money) to their economic and social priorities. The problem for these countries now is that NATO expects them to ante up the money and political capital to make tough policy decisions. Unfortunately no one has laid the groundwork either publicly or within the government bureaucracies to make that happen.

The lack of NATO incentives for defense spending was fortuitous for Hungary, and the Czech Republic, because of the rather lukewarm support that NATO enjoyed in these countries, as compared to the support expressed in Poland. Polls show that NATO membership enjoyed around 60% support in Hungary and the Czech Republic and more than 80% in Poland prior to their accession to the alliance (Dorff 1998). But when asked about some of the responsibilities of NATO membership such as stationing of NATO troops in their country, sending their troops to defend other NATO allies, and hosting NATO exercises in their country, the support in Hungary and the Czech Republic decreases to below 40% in some instances. Only in Poland is

there majority support for these more detailed issues. The effect these levels of support had was to make it easier for politicians to subordinate defense policy to the more partisan-driven social policies. The combination of low threat perception, low social esteem for the military, and difficult economic times due to the transition placed military matters low on the agenda for politicians and the society at large.

In light of these factors, one must ask why politicians consistently touted NATO membership to the masses as such a vital component of Hungarian foreign policy. The answer is two-fold. First, the pronouncements were for international consumption as much as they were for domestic use. With Western integration as a primary foreign policy goal since 1990, it was important to show potential sponsors that the political will existed to make the difficult choices required to insure successful integration. One of the leading factors affecting success was the ability of former Communist states to show that their admission into Western institutions would not impose excessive economic hardships on the member states.<sup>5</sup> Public statements by politicians in favor of integration initiatives could send the message that policy priorities supported budget outlays for necessary reforms.

The second part of the answer to the above question is found in the political environment of the region. The populations in Central Europe have mixed attitudes concerning politics and their sense of efficacy. In Hungary, voter turnout throughout

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<sup>5</sup> Several examples of these concerns can be found in the numerous monographs written detailing the debates over the costs of NATO enlargement. Three excellent samples of this literature are James Goldgeier's *Not Whether But When: The U.S. Decision to Enlarge NATO* (Brookings Institute 1999), George Grayson's *Strange Bedfellows: NATO Marches East* (University Press of America 1999), and Anton Bebler's edited volume *The Challenge of NATO Enlargement* (Praeger 1999). Similar economic concerns surround the expansion of the European Union into the region of the former Communist bloc.

the 1990s has been hovering just above or below the 50% mark of eligible voters (Körösenyi 1999, 105). In general Hungarians were not politically mobilized during or since the political and economic transition. The statements by politicians campaigning for support for NATO membership are not targeted to the mass population. They are targeted to the individuals and groups who feel passionately about the issue and are politically active enough to do something with their passion. While most Hungarians will answer questions posed to them about NATO membership and its obligations, they will not take that opinion to the voting booth. This assessment is confirmed by the voter turnout figures for the 1997 NATO membership referendum. Fewer than 50% (49.24%) of the eligible voters actually voted during the referendum (Gyarmati 1999, 112). While the official referendum results showed that 85.33% supported Hungary's move toward NATO membership, that figure represented the approval of only 41.5% of the nation's eligible voters (pg. 112).

In the final analysis, the international and domestic message to those questioning the political will of politicians to further the cause of Western integration is that it was indeed there and the people backed it. But this proved to be a necessary, yet insufficient variable to insure reform success. The political will to reform was, in many ways, conditioned by the pressure from NATO heads to reform and modernize, or else. This will subsided when it became clear NATO's non-political criteria for membership were of secondary importance.



While the factors and issues described above apply to all three new members, the focus of this study is Hungary. Hungary is the only new member to hold a national referendum on the decision to join NATO. It is the only NATO member to be without a fellow NATO member as a neighbor. Hungary is also the only new member to have no common borders with either Germany or Russia, the two European powers that have represented the greatest threats to European security in the 20<sup>th</sup> Century. All these factors make it somewhat unique relative to the other two new members.

While an in-depth comparative study between the three new members of NATO will not be undertaken here due to certain logistical constraints beyond the control of the author, the framework of this study may provide an interesting basis on which to conduct a later examination. Such an examination would be fruitful in its ability to judge the impact of various policy choices made by the various governments since 1989. A comparative study would also allow for an analysis of strategies adopted or rejected by aspirants of the proposed second round of enlargement.

The contribution this study hopes to make to the growing body of literature on post-communist transitions is in the area of military democratization and western military integration. The economic trials and tribulations of transition from the command economy of the communist period to the post-transition free market economy have been well documented (see fn. 4 for samples of this work). Much has also been written about the evolution (or lack thereof) of the political party systems.<sup>6</sup> Most of the literature concerning defense and the military has focused on civil-military

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<sup>6</sup> For an excellent collection on this topic see *Institutional Design in New Democracies: Eastern Europe and Latin America*, (1996) edited by Arend Lijphart and Carlos Waisman.

relations and the challenges of ensuring the continued control of the military by the civilian governments. The passage of legislation and adoption of Constitutional amendments codifying the relationship between military leaders and the civilian political apparatus suggests that the principle of civilian control has not been seriously challenged. This is further indicated by the fact that of the three new NATO members, military takeover of the government was never a serious threat in any of them as a result of the 1989-1990 political transition. Given these two factors, this study enters the discussion assuming the presence of *de jure* civilian control over the military.

The effect of that control and its *de facto* implementation on the ability of Hungary to reform its defense establishment, as well as the influence of NATO's enlargement decisions, is the focus of this study. It will highlight the difficulties the military and the civilian leadership have experienced in overcoming the Communist past and the political and budgetary realities of the democratic present. The process of reform in any policy area requires general agreement among all actors on where the starting point is, what the reform outcome(s) should be, and how to select the best path to reach those outcomes from the options available. It also requires informed and open-minded leadership. In the area of defense and national security, Hungary and the other states of Central Europe find themselves in the position of knowing that where they are is not where they want to be and, using NATO's limited guidelines as a target, having an idea as to where they need to go. The challenge remains for them to find the right path to get there.

### **Study Plan**

Following this introduction, chapter two will proceed with a more detailed presentation of the theoretical considerations, to include an expanded discussion of the alliance and principal-agent literature, as well as an examination of works that highlight the communist command structure, and civil-military relations. Chapter three will provide an overview of Hungary's military communist past as a means of presenting the origins of the communist legacies that have affected the post-communist landscape. Chapter four will detail the Hungary's attempts, and ultimate failure, to establish a stable organizational structure that clearly defines the jurisdictions of military officers and civilians. Chapter five highlights how Hungary's lack of critical civilian and military expertise has handicapped defense reform. Chapter six examines the economics of reform and the impact declining budgets have had on modernization and readiness of the Hungarian military. Finally, chapter seven offers concluding assessments of Hungary's future and the effect Hungary's example will have on the reform programs of second round aspirants to NATO and NATO's approach to further enlargement. It is hoped that by understanding the stumbling blocks encountered with the ascension of Hungary, future rounds of NATO expansion will be able to avoid the same pitfalls.

## CHAPTER II

### THEORETICAL CONSIDERATIONS

#### Introduction

Defense reform in Central Europe has proven to be an elusive goal for most of the former communist states. Considering the importance Western decision-makers have given defense reform as a measure of regional democratization, the lack of reform success in many states may prove detrimental to their efforts to achieve desired integration with the West signified by NATO and European Union membership. If defense reform is such an important and publicized criteria for Central European acceptance by the Western states, why has it been so difficult to achieve? This chapter will highlight some of the possible theoretical explanations for reform failure based on current literature in the areas of alliance formation and integration, bureaucratic reform, and principal-agent relationships. It will also identify some shortcomings of this literature as it relates to the Hungarian case.

While the bureaucratic reform literature, represented here by Barbara Geddes' analysis of Latin American administrative reform efforts, does not offer a good a handle on the failures in Hungarian defense reform, the alliance and principal-agent literatures present valuable insights. The explanations offered in this study attempt to augment the traditional viewpoints of these two fields of work by highlighting the unusual linkage between these two theoretical fields from very different backgrounds.

As detailed in the following pages, the alliance literature suggests that the relationships and power differentials between alliance partners should create incentive

and leverage advantages for the more powerful or more “senior” partners in the alliance. These advantages should be the basis for being able to convince lesser partners to satisfy alliance obligations. This relationship takes on a character that is very similar to that between a principal and an agent in a bureaucratic setting. In both instances, responsibilities are delegated to “subordinate” entities with the expectation that they will be fulfilled based on a series of expected payoffs. In the case of Hungary, the payoff is integration with Western Europe through membership in NATO and, eventually, the European Union. As in most principal-agent relationships, the agent enjoys a certain degree of discretionary authority due to information asymmetries, specialized expertise, or simply principal neglect. In the case of Hungary, the source of discretionary authority lies in the international norm of state sovereignty. Problems arise when the interests of the agent are not synchronous with those of the principal. In this chapter I will describe the relevant characteristics of each theoretical tradition. In chapters 4-6 that follow, I will examine the details of the Hungarian case to provide examples of the above dynamic.

### **Impact of Alliance Partners**

While the focus of this study is Hungarian defense reform at the domestic level, the context in which this reform is being attempted, namely under the watchful eyes of NATO, is an important factor to be considered when trying to explain the reform’s successes and failures. This is not to suggest that Hungary did nothing prior to NATO’s involvement and would have done nothing without NATO’s prompting. But NATO has become the director of reform since the 1994 creation of the Partnership

for Peace (PfP) program that established expectations for the post-Warsaw Pact militaries of Central Europe. This point was made abundantly clear to this author when a high ranking Hungarian government official explained that reforms previous to 1994 had been virtually nonexistent because the Hungarian government was not receiving encouragement from NATO concerning potential membership. The point being made here is that without the motivation of NATO membership, there was limited incentive to spend resources on reshaping and modernizing a military that placed barely above the police at the bottom of the list of respected professions.<sup>7</sup>

Is the role of NATO in this case unique in alliance politics or is it a normal dynamic in times of alliance expansion or deepening integration? If, based on the alliance literature, the Hungarian experience was predictable, then one should also expect to have seen heightened efforts and the resulting achievements once Hungary's relationship with NATO became closer as a result of its membership in the PfP program. The alliance literature would treat the reform question as a problem of alliance integration with stronger powers attempting to get weaker powers to fall in line. Stephen Walt (1987) provides a summary of IR hypotheses that attempt to explain the dynamic of alliance formulation and the interaction between dominant and subordinate powers within the alliance once it is formed. Since the defense reform issue is closely associated with military and technological assistance given the new

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<sup>7</sup> Numerous conversations with government and military officials in Hungary gave the unmistakable impression that the immediate post-communist efforts at defense reform consisted of little more than reduction in the size of the military and establishment of a civilian presence in the MOD. Strategic considerations were not high on the list of criteria by which these decisions were made.

members from the United States and other large NATO countries, Walt's review of hypotheses linking foreign aid and alliance formation is relevant for this discussion.

One of the hypotheses proposes that the greater the dominant power's monopoly on the commodity provided, the greater its leverage over the subordinate power (pg. 43). Considering the antiquated state of the militaries in question, and the stated NATO requirements that new members achieve operational and organizational interoperability as quickly as possible, it is reasonable to expect that if this hypothesis was true, NATO and its key members would possess significant leverage over their newest allies. One would think that this leverage would be successful in ensuring compliance with the various NATO requirements. But, as the following chapters will show, NATO pressure for reform implementation has been largely unsuccessful. Domestic pressures have trumped NATO's position of authority in the spending of limited resources and development of policy priorities.

Another hypothesis reviewed by Walt suggests that the stronger the domestic political decision-making apparatus of the dominant power, the more leverage it can exert on the subordinate power (pg. 44). This hypothesis focuses on the domestic political constraints or the patron's capacity to manipulate the levels of assistance given to a client. Theoretically, for example, one would expect a democracy, with its competing interest groups, to have lesser political capacity to make credible threats of aid reduction in order to control the behavior of a client than would a more hierarchical political system. Britain, the United States and Germany are not normally considered to have weak domestic decision-making abilities. Based on this hypothesis

then, we should expect to see leverage used by these states to motivate successful compliance with the stated NATO requirements. In reality, leverage is being used, but its effect up to this point has been far less than totally effective.

While this theoretical discussion emphasizes the effect of power relationships in alliances, an understanding of NATO's priorities is important. I would argue that the failure of the Hungarian case to neatly fit the predictions of the above hypotheses is due as much to the failure of NATO to consistently and firmly take advantage of its power position as to any weaknesses in the hypotheses. During the early transition period, NATO was more concerned with the politics of German reunification and addressing Soviet concerns over a reunified Germany's future in NATO than it was with the pleas from Central European states for some kind of security guarantee. Polite rejections of Czechoslovak and Albanian requests for associate membership in the alliance in 1991 and 1992, respectively, sent the signal that NATO was not ready to court new members at the risk of antagonizing the leadership in Moscow (Grayson, 157 and Reisch 1993, 40).

The disintegration of Yugoslavia and the failed Russian coup in August 1991 did, however, force the alliance to reconsider its "wait and see" approach to Central Europe. The instability these events created led Czechoslovakia, Hungary and Poland to renew their calls for closer links with NATO (Reisch, 38). In November 1991, NATO responded by creating the North Atlantic Cooperation Council (NACC), a consultative body focused on facilitating cooperative arrangements between NATO and its former Warsaw Pact adversaries. The NACC was alternatively called either an



ingenious invention to give Central European security concerns a platform on which to be heard or a gigantic "talk shop" that allowed the alliance to delay any real decision about the future of Central European membership in the alliance (Eyal, 24-25).

Continued instability in the Balkans created more pressure on NATO to address Central European security concerns. The result was the PfP initiative announced in January 1994 at the alliance's Brussels Summit. This was the same meeting at which US President Bill Clinton made his now infamous declaration that "the question is no longer whether NATO will take in new members, but when and how." (pg., 26). For the East, PfP was viewed with skepticism and seen as another delaying tactic to avoid extending true security guarantees to the region. Poland, as one of the most vocal critics, labeled PfP as "Yalta II" and an advisor to Polish President Lech Walesa complained, "We've gone from Chamberlain's umbrella to Clinton's saxophone." (Kay 1998, 71-72). To the West, PfP had several benefits. By continuing to hold out NATO membership as a possibility, PfP would help maintain the momentum for reform in Central and Eastern Europe (pg., 69). PfP could also appease voices on both sides of the enlargement debate. For those calling for enlargement sooner rather than later, PfP was sold as a preparatory step to offer assistance to PfP members in their efforts to fashion themselves as suitable invitees to NATO. For those critical of the extension of NATO into the hotbed of Central and Eastern European politics, PfP was designed to offer the institutional benefits of NATO without the all-important Article 5 security guarantees.

The relevant issue for defense reform in Hungary and other Central European states was the establishment of priorities for NATO enlargement. The NACC and PfP served valuable roles throughout the 1990s in terms of introducing the former Warsaw Pact states to the NATO model of security (and politics). Internally, however, the alliance was struggling to redefine itself having lost its primary *raison d'être*. Whatever its future roles may entail, America's European allies regarded NATO as the necessary lure to keep the United States interested in European affairs in the post-Soviet era (Atkinson and Pomfret 1995, A16). Early critics of NATO enlargement, including former EU chief Jacques Delors, argued that the preoccupation with integrating former Soviet allies into the Western security organs was a convenient means of sidestepping the broader debate on the future of transatlantic institutions such as NATO (pg., A16). Assessments that European security needs were wider than any purely military arrangement, leading to calls for a new framework, left the alliance searching for a new identity. Trying to tutor NATO aspirants in Central Europe in the virtues of democratic governance and Western military strategy and doctrine was a hobby that left the pupils unmotivated and somewhat directionless.

The premium placed on political criteria for NATO membership, as opposed to military capability and interoperability, was not lost on Hungarian defense officials throughout the courting period from 1994 to the Madrid Summit. In newspaper articles, media interviews and official statements, officials repeatedly responded to questions concerning the link between defense reform and NATO membership by emphasizing the reality that achieving the military conditions under which Hungary

would fully meet its alliance responsibilities was a long term project that would require far more money than the government had thus far been willing to spend on defense.<sup>8</sup>

The theoretical implications of this discussion lie in the conclusion that the power of dominant alliance members to dictate or control the behavior of weaker members (or in this case, aspiring members) is not an automatic privilege enjoyed by virtue of simply being more powerful (whether that be politically, economically, or militarily). The stronger member retains the responsibility of exerting its dominance in a way that will yield the desired results. In the case of a democratically-based alliance such as NATO, this becomes even more important because there is no credible risk to the lesser power that the dominant member will impose its desires upon fellow or aspiring members by force. As the following chapters will explain, NATO expected the carrot of membership to be sufficient incentive for Hungary to undertake the desired reform programs. NATO's emphasis on political conditions for membership allowed Hungary to marginalize the military aspects of the Perry Principles and the *Study on NATO Enlargement* criteria. The hypotheses presented by Walt are not falsified by the Hungarian case, but rather NATO's failure to use its power advantageously to motivate defense reform in Hungary lessens the hypotheses' power to explain the failures in Hungary's reform efforts.

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<sup>8</sup> The individual sources for this assessment number in the hundreds over the three years between the creation of PFP and the Madrid Summit. A particularly prolific time period for such statements was during the summer of 1995. Minister of Defense Keleti gave numerous interviews with the Budapest dailies *Népszabadság*, *Magyar Hírlap*, and *Magyar Nemzet* concerning the status of reforms and their impact on Western impressions of Hungary's suitability for NATO. General Ferenc Végh's promotion to Chief of the General Staff in 1996, and his candid assessment of Hungary's military deficiencies, and the unauthorized MiG-29 flights to Poland, also sparked significant media coverage of the defense reform progress and how it was viewed by NATO.

Although, due primarily to NATO's actions, Walt's hypotheses fall short of providing a clear explanation for Hungary's reform failures, a related segment of the alliance literature that does raise some interesting points for this discussion is that which addresses compliance with international regimes and the ability of alliances to affect the domestic policies of their members. Compliance in its simplest form means nothing more than meeting the obligations of the international agreements a country agrees to meet by virtue of its signing the treaty or joining the international organization. One school of thought within the international relations community has such faith in the high rates of compliance among the world's nations that it uses as its entering assumption the belief that there exists a general propensity for states to comply with international obligations (Chayes and Chayes 1993). This assumption is grounded in the belief that it is in the interest of states to protect their reputations by adhering to the norms of international relations that treaty obligations require. Compliance is also encouraged based on an efficiency argument. Here it is argued that the cost-benefit analysis that concluded a treaty was worth signing is more than likely going to remain valid for the long term. Frequent recalculations of the costs and benefits of the treaty are an inefficient use of government resources (pg., 178).

Downs, Rocke, and Barsoom (1996) counter these glowing assessments of compliance by arguing that studies on compliance rates suffer from selection bias. It is their contention that many of these studies examine only compliance to regulatory treaties that prescribe reductions in a collectively dysfunctional behavior. This requires only modest departures from what the states would have done in the absence

of the agreement (pg., 380). They further claim that compliance rates are also exaggerated by the fact that most states do not sign onto agreements to which compliance will prove too difficult (pg., 383). States will rarely spend the time and energy negotiating agreements that will continually be violated. This selection bias leads to high rates of compliance and low incidences of necessary enforcement.

The above discussion on compliance further highlights the anomalous character of the Hungarian case. There is nothing to suggest that Hungary has any international interests that would be served by violating the assumed propensity of states to comply with their international commitments. To the contrary, it would be more reasonable to assume that Hungary's strong desire to be welcomed into the European family of states would give it a much greater incentive to meet its international treaty commitments. Hungary's stated security concerns, focusing on Russia's uncertain future ambitions and capabilities, also insures that, from a cost-benefit efficiency perspective, Hungary's interests are best served by striving to comply with NATO's requirements.

Hungary's lack of compliance with its NATO obligations for defense reform also run counter to Downs, Rocke, and Barsoom's argument that compliance rates are high because states only sign those agreements with which they intend to comply. If the Hungarian governments of the 1990's had no intention of diverting the necessary funds from domestic social programs to defense priorities, then the literature would suggest that they 1) would not have campaigned so strongly for a NATO invitation once they knew the costs involved and 2) would not have accepted the accession to

NATO membership knowing they could not meet the expected obligations such a membership would bring. Hungary not only aggressively campaigned for and accepted NATO membership, fully knowing the difficulties that awaited the government in the allocation of scarce budgetary resources, but also made promises to NATO about operational capabilities that remain largely unfulfilled. Is the explanation for this simply that Hungary is an international oddity and knowingly violates the accepted standards for international compliance behavior? In light of the importance Hungary has placed on Western integration since 1990, this is an explanation that is hard to accept.

While the above discussion focuses on the Hungarian question, this is an issue that has relevance to all the new NATO members. The approaches taken by the three new members to satisfying NATO's urgings for reform have some subtle differences, but the results have been similar; efforts that have fallen short of the mark. An example of this can be seen in the disparity between the Hungarian and Czech attitudes over the annual NATO Defense Planning Questionnaire. Each year the new NATO members are required to submit their responses to this document that establishes timetables for the accomplishment of key defense reforms. It is designed to aid NATO in its efforts to expedite integration of these new members into the alliance. To date Hungary and the Czech Republic have taken very different approaches to this document. Hungary regularly signs up for 40-45 reform measures spanning various timeframes depending on the complexity of the reform (Szurgyi 1999). The Czech Republic, on the other hand, signs up for 20-25 measures that they feel will be quite easy to achieve. The

result of these two differing approaches is that Hungary has repeatedly been chastised by NATO leaders for failing to meet agreed upon timeframes for individual reforms and the Czech Republic has been lauded for meeting its target goals. Does this mean that the Czech Republic's military is in better shape than Hungary's in terms of its ability to fulfill its NATO responsibilities? The consistent answer from this author's contacts at NATO and USEUCOM (United States European Command) is no. The Czech Republic simply has taken the route predicted by Downs, Locke, and Barsoom and obligated itself to commitments easily fulfilled. While this does signify good compliance by the Czech Republic, it does not accomplish NATO's long term goal of having fully integrated new members at the earliest possible date. This example also highlights once again Hungary's deviation from what the alliance literature suggests should be its behavior.

The Czech approach highlights another factor of the compliance debate -- that being whether international institutions have a significant influence on state behavior. John Mearsheimer (1994) responds with a resounding no, arguing that institutions have a minimal influence on state behavior because institutions are no more than arenas built by the most powerful states in which the balance of power relationships of the international environment are acted out (pg., 7). If balance of power is the independent variable that explains war, then institutions are merely intervening variables in the process (pg., 13). Xinyuan Dai (1998) would most certainly take exception to Mearsheimer's interpretation of the role of institutions. She makes the argument that institutions affect levels of compliance by affecting the key to

compliance, domestic political mechanisms of enforcement. According to Dai, international institutions may empower pro-compliance domestic constituencies by improving their electoral leverage and monitoring ability. Just how these are accomplished is not clearly explained.

Looking back at the Czech case, NATO's ability to influence the domestic behavior of the Czech government has proven to be minimal. While the Czechs have a good record of meeting the obligations they agree to, the pace with which they are progressing is slow, and the issues they are willing to confront are those that can be relatively easily solved. The Hungarians have signed on for more than they can realistically fulfill in the allotted timeframe, causing them credibility problems with NATO. In either case, NATO has not demonstrated an ability to affect the domestic priorities to an extent that would hasten the achievement of NATO's integration goals. This is certainly not the outcome institutionalists or realists would predict given the power of the leading members of NATO and the high expectations institutionalists have for the ability of institutions to foster cooperation and compliance. Realists would predict that the power advantage held by leading states of NATO should allow them to negotiate, on terms favorable to them, the process and timing of reforms necessary for integration of the alliance's new members. Institutionalists, on the other hand, would expect that since these states voluntarily asked for and later received membership in the alliance, compliance with the stated requirements for membership, both political and military, should be an inherent part of their membership status.



### **Dynamics of Reform**

Discussions of reform inevitably lead to discussions of winners and losers. Reform by its very nature represents a step away from the status quo. Those groups or individuals that are content with the status quo will, in all likelihood, oppose efforts to change unless they can be convinced that the post-reform environment will yield benefits equal to or exceeding those they enjoy under the present conditions.

Economic reforms traditionally focus on either redistributing pieces of a state's economic pie to equalize the benefits across the socioeconomic spectrum or devising better ways to manage the economic state of affairs to control economic growth or impede economic decline. Administrative or bureaucratic reform targets the procedures by which bureaucracies perform their responsibilities. Combating corruption, unfair hiring and firing practices, and monitoring agency compliance with established rules of conduct are common topics of concern in this area. Defense reform, the primary topic of this study, deals with a wide array of issues such as personnel matters affecting promotions and pay, troop deployment and equipment modernization, and strategic and doctrinal adjustments dictated by changing international conditions.

In the cases of economic and administrative/bureaucratic reform, the identification of potential winners and losers is not sufficient for predicting success or failure, but it is an important factor. Geddes (1994) points out that the success of reform is determined by the influence the competing sides wield during the reform debate and during the process of implementation. In democracies the situation is further

complicated by the fact that the disparity between election campaign promises and on-the-job performance can be tremendous. Even though everyone can agree that, in principle, the intended reform is a worthwhile goal, the ability of the potential reform losers to control the outcome of the debate makes realization of the reform difficult. In other words, if the people who will be most hurt by the implementation of reform have a significant ability to affect the decision to reform, those same reforms are less likely to ever materialize.

Geddes offers insight into why reforms may fail even when all agree that reforms will make them collectively better off. Dealing specifically with bureaucratic reform in Latin America, Geddes begins her analysis with the assumption that reform is a public good. As with any public good, no one in the affected group can be excluded from enjoying the benefits of the reform regardless of whether they directly or indirectly contribute to its achievement. All gain in this scenario because reform provides a more efficient and less corrupt bureaucracy. The problem is that the costs of reform are distributed unevenly. The liability reform's potential winners must overcome is the fact that they are not as organized as those who stand to lose from the reform and, on an individual level, have little incentive to bear the costs and take the risks necessary to insure its success. The biggest losers are politicians who have acquired "perks" in the incumbent system by virtue of their ability to reward key supporters with jobs and other benefits and bureaucrats who often have created mini-fiefdoms over years of continuous service. They are aided in the fight against reform by virtue of the entrenched political parties and labor union organizations that can

channel the necessary resources to wage a successful battle. Pro-reformers must rely on political entrepreneurs to rally support for their cause.

While Geddes' argument is a valid explanation for difficulties in achieving bureaucratic reform, and certainly some instances of defense reform do encompass bureaucratic elements, defense reform generally makes the identification of winners and losers more challenging. Even in open democracies, the defense arena is largely the purview of a relatively small collection of individuals and groups that have special expertise in the relevant fields. Defense reform often includes topics not of interest to the general public and not particularly costly to any one particular faction within the government. In these instances, such as cases of organizational or operational changes to the status quo, it is less clear who the winners and losers may be. They are often limited to the members of the military itself. In such cases, in a state with good civilian control of the military, the soldiers follow their "marching orders" and carry on.

Instances where defense reform does generate wide public debate are those in which major budgetary outlays will be necessary to implement the reform. The general public is usually willing to allow the government and the defense experts to "do what they do" within the defense arena. Seldom would a military officer expect a citizen off the street to advise him on how to best employ a tank company or a bomber squadron. Yet when the issue is the purchase of new tanks or bombers and the money for such purchases leads to budgetary cuts in other social programs, the public does not sit quietly.

The two different scenarios for defense reform above lead to a natural distinction of reform type. Defense reform that is largely an internal issue with the goal of improving military efficiency or effectiveness through organizational or operational reform is similar to Geddes' pure public good reform. High public benefit and low cost characterize this type of reform. Reform in which the public has a decided interest due to significant budgetary impact is characterized by high benefit accompanied by high cost. Of these two types, the former should arguably be easier to achieve due to low public cost and low public concern for internal defense reforms, while the latter usually proves more difficult because of the high public cost and the opaqueness of the public benefit. It is often hard to convince the general public that a better, safer fighting tank for the army should trump the value of increased universal health care, for example. Interestingly in the Hungarian case, neither of these types of reform has found significant success.

The cost-benefit analysis of reform is not the only issue to be addressed by potential reformers. Another challenge for any state contemplating sweeping reforms is the selection of the timing of the reform. In cases of politically sensitive reform initiatives, governments will often delay a decision on the reform hoping to defer the payment of the political or monetary costs. Alberto Alesina and Allan Drazen (1991) make this argument in their discussion of economic stabilization programs. They describe the process leading to stabilization as "a war of attrition between different socioeconomic groups with conflicting distributional objectives" (pg., 1171). Each group tries to wait out the others in hopes that by waiting they will increase the

chances of a more favorable outcome. Stabilization occurs only when one group concedes and is willing to bear a disproportionate cost burden in order to stop the downward economic spiral that further delays will produce. This stalemate takes place even though the various groups may agree that the fiscal policy changes are necessary for long term economic health. As long as a possibility exists, perceived or real, to shift the burden of stabilization elsewhere, each group will try to wait out the others. In this scenario, the groups in question are generally factions within a government that have some element of control over when and how stabilization programs will be implemented. Additionally, the higher the cost of the reform the more incentive for those controlling factions to delay reforms whose costs might believably be passed on to competing interests.

In the Hungarian case, and in the rest of Central Europe as well, the costs of the reform requirements have certainly had an impact on the timing of reform efforts. The heavy cost of necessary equipment modernizations competed with the economic priorities of economic liberalization. In Hungary this competition created parliamentary logjams on defense issues in each of the first three democratically elected governments. As NATO anticipated the next national election and increased pressure on each government to achieve some measure of reform, the response was the same. Each government declared that the gravity of the decisions was too great to be taken on by a government that was uncertain of its future in power. The reform issues would have to wait until after the next election (Szurgyi 1999, Knudson 1999). This habit of late election cycle procrastination offers some rationale for the absence of

reform in the months leading up to the next elections. It does not, however, explain the absence of reform in the early years of a government's administration, particularly the high benefit, low cost reforms that should be easier to achieve.

Based on Alesina and Drazen's logic, one could hypothesize that politically sensitive reform will only be enacted when one of two conditions is met. The first condition is that a consensus exists among the power brokers in government that the reform is a beneficial move for all concerned. In this situation, there is no need for a standoff to develop between competing groups. The second condition, and the one to which I envision Alesina and Drazen to be referring when they suggest that at some point one of the groups concedes and pays the greater costs, is when the situation becomes so critical that one side of the debate decides to pay the costs of reform for the good of the country as a whole or to prevent itself from being destroyed. In all other situations, the overriding incentive is to delay taking action hoping that someone else will have to take the responsibility for it later.

### **Principal-Agent Relationships in a Military Context**

Perhaps nowhere is the delegation of authority and responsibility for one of the key duties of any national government more fraught with possible conflict and controversy than in the area of national defense. Enjoying a monopoly on the instruments of violence, a state's defense establishment simultaneously bears the responsibility of defending the state and possessing the tools to destroy it. The relationships that are formed between the civilian government and the military leadership are vital to ensuring the former and preventing the use of the latter. In a democracy, as an agent

of the people, the government is delegated the responsibility of protecting national borders and the general welfare of the population. The government, in turn, delegates the day-to-day fulfillment of that duty to the nation's armed forces. In established democracies such as the United States, the delegation of these responsibilities is ingrained in the bureaucratic structures of the defense establishment. In new democracies defining the roles of the various actors can be a difficult process. This process is ongoing in Central Europe and signifies one of the hurdles to achieving the defense reform goals.

Before expanding on the issue raised above it is important to distinguish the principal-agent concept as used in political science from that used in its original form in the field of economics. As pointed out Roderick Kiewiet and Mathew McCubbins (1991), in economics the principal is defined as "the person who offers a binding contract to another person-the agent-for the performance of specified services" (pg., 239). The important part of the definition is that the principal moves first by offering a certain compensation scheme that governs the outcomes of the agent's actions. The agent then performs his part of the bargain optimizing his interests to the extent that they allow him to maintain the incentives offered by the principal. Kiewiet and McCubbins offer a more general definition for the political science rendition of this relationship. For them the principal-agent relationship is established when an agent is delegated the authority to take certain actions on behalf of another, the principal (pg., 240). It is not important who initiates the contact. The principal can seek out the agent or the agent can volunteer for the job and define his or her own terms. There is

also no need for a pre-constructed compensation scheme. The agent can take actions in anticipation of reward from the principal or the principal can hire the agent to do his work leaving till later the specification of rewards. One area where the economic and political science cases are similar lies in the fact that both are based on the principles of division of labor and comparative advantage. Simply put, delegation takes place either because principals do not have the time to personally do everything they are tasked with doing, or they do not have the expertise and it is too costly to acquire it, or both. No one expects members of Congress or Parliament to raise the money to fight a war, draw up a battle plan, recruit the troops necessary to carry it out, train the troops, and lead them into battle. They have neither the time nor the knowledge with which to accomplish such tasks. Therefore they delegate many aspects of the job to the armed forces.

The act of delegation opens the principal up to the possibility of having its agenda manipulated by the agent. Terms such as agency loss, shirking, or failure are commonly used to describe instances when the goals or objectives of the principal are left unfulfilled due to actions by the agent. This can occur because discretionary authority often accompanies the principal's delegation to the agent. This discretionary authority gives the agent a certain degree of freedom to pursue the principal's goals in manners conducive to the agent's goals. When the goals of the two parties are not synchronized the above pathologies may result.

The sources of loss, shirking, or failure are three-fold. First, they can emanate from the principal. If the principal delegates a task with unclear or inconsistent directions



for its accomplishment or with too much latitude given to the agent concerning the means of accomplishment, the results may be less than expected or desired by the principal. In many ways this is the story that will be told in the following chapters. The aspiring states have argued that their failure to meet all of NATO's military expectations is a direct result of NATO's failure to issue clear guidance on just what those requirements were.

Another possibility for principal-induced agency problems stems from the existence of a knowledge or expertise gap between the two parties in the issue area under consideration. If the agent, in reality or perception, possesses more knowledge or expertise than the principal in a given delegation relationship, the direction and information provided to the agent from the principal may be insufficient for the faithful translation of principal's intentions to agent's performance.

This knowledge/expertise gap may also serve as one explanation for a second source of agency problems - those originating from the agent. In those cases when the agent feels it knows more about an issue than the principal, it may assume a greater degree of discretionary authority and act with less consideration of the principal's views than otherwise intended. Sometimes this may be done with no malicious intent, but rather from the perspective that the agent's superior expertise will lead to better results. At other times, the agent may intentionally use its expertise to pursue its own agenda at the expense of the principal's.

In addition to a sense of knowledge superiority, the agent's intentional divergence from the principal's preferences may also be motivated by distrust, disparate values, or

simple philosophical differences. If an agent does not trust the judgment or leadership of the principal, it may take advantage of its discretionary authority to do what it feels is best for the organization or for its own interests. If philosophical differences exist between the agent and the principal, again, the agent may use whatever latitude it has to defend its own interests, at the possible exclusion of the principal's. This scenario plays out in the domestic policy battles of defense spending and reform planning in Hungary. The lack of trust between the civilian leadership and the military officers leads to degrees of agency loss in the implementation of government programs for defense reform. Military leaders, feeling they are more qualified due to their special expertise in defense matters, assume discretionary authority over the implementation of government defense programs. Due to conflicts in interests between civilians and the military, the fidelity with which the military implements these programs is not always at the highest level.

When the agent does put its agenda or preferences ahead of the principal's, the third source of agency problems may present itself, that being the failure of the principal-agent relationship's oversight/monitoring system to prevent or hold the agent accountable for such transgressions. In any delegation scenario, the principal must have some means of monitoring the agent's actions and holding it accountable when those actions deviate from acceptable norms. Some typical ways the principal may do this include audits of agent's records, periodic no-notice inspections of the agent's procedures, or occasional reviews of the agent's overall performance as measured against the principal's objectives. In the case of government principals who have a

number of agents dealing with a wide range of issues the monitoring and oversight functions can be difficult to fulfill.

Mathew McCubbins and Thomas Schwartz (1984), in describing how the U.S. Congress handles this dilemma, make a compelling argument for what they call "fire alarms and police patrols." Since the members of Congress and their staffs cannot possibly monitor, simultaneously and constantly, the actions of all the people and organizations to which they have delegated responsibility for certain tasks, they rely on consumers of the agent's actions to notify Congress if there is a problem. Once notified, the relevant Congressional body would hold a hearing or launch an investigation to determine the nature of the problem and prescribe suitable remedies. The key for such a system to work is the existence of consumers who are sufficiently knowledgeable and efficacious to be effective watchdogs for the principal. I would argue that in the setting of national security in Central Europe, neither the principal nor the potential consumer is knowledgeable enough to effectively serve this watchdog role. Hence the third source of agency problems boils down to the lack of a monitoring/controlling system that both the agent and the principal trust can identify and punish agent failures.

Having defined what the principal-agent relationship is and some of its potential problems, the task now is to put it in the context of civil-military relations. One of the key transitional challenges for the states in Central Europe is defining the actors' roles in the civilian-military relationships that make up the agency relationship in national defense issues. Traditionally discussion of civil-military relations has been

accompanied by discussions of coups d'état. The finger is pointed at the military for its overthrow of a civilian government and the analysis starts with the assumption that the military, through no fault of or no complicity with the civilian government, simply abrogated its side of the relational agreement.

Deborah Avant (1993 and 1994) points out that treating the military as a totally unique and independent entity within the government structure is not an accurate picture. Instead, she argues military organizations are products of their designers, namely the civilians for whom they serve. The results of the design efforts are influenced by the structure of the civilian institutions. The structure influences the extent to which civilians can agree about what to tell the military to do and how the civilians will monitor the military's compliance with those directions. Institutional divisions amongst the civilian leadership will make agreement on these issues more difficult. There are also strategic considerations that influence the design of military organizations. When the political future appears uncertain, organizations can be fashioned in such a way as to shield them from the future authority of a designing group's political opponents. As will be described in the following chapters, this tactic was attempted by the outgoing communist government in Hungary in an attempt to maintain communist command of the military. In this analysis, Avant offers a good example of the case where the agency problems originate from the principal.

This tactic has also been perpetuated by subsequent democratic governments after they take power. By replacing several levels of the ministerial bureaucracy with partisan loyalists, the incoming governments try to insure governing unity.

Unfortunately for Hungary, this has meant the discarding of four precious years of accumulated and valuable civilian expertise that each new government has been unable to immediately replace. Revisiting the principal-agent model, in this case the principal is maximizing its political interests. Those interests do not, however, maximize the chances for successful reform of civil-military relations if the disparity in national security expertise continues to vastly favor the military.

Civilian choices concerning military organizational design also affect the organization's integrity. In this context integrity refers to the degree to which an organization presents a unified front. The greater an organization's integrity, the better it is able to articulate its preferences and pursue them as an actor in the political arena. The degree of organizational integrity in Central European militaries is subject to debate. There exists in most militaries of the region a dividing line between the senior officers who are regarded by some as a holdover from the communist period and the younger officers who entered the military since 1990. The younger officers are anxious to be regarded with the same professional respect as their Western counterparts, which will require major shifts in public attitudes and careful spending of tight defense budgets in order to improve military living standards and modernize the forces at the same time. Older officers mediate their desires for the same rise in professional esteem with the urge to maintain the privileges of the past. These splits in key interests have hampered the ability of the militaries to campaign from a unified stance for the protection of corporate interests. It also leads to the possibility of

agency problems due to competing interests within the agent, neither of which may be in concert with those of the principal.

The division of interests seen between young and old officers is also a common, if not assumed, characteristic of the principal-agent relationship. Once the delegation of a task to an agent has taken place, there are limitations as to the amount of control and oversight the principal can exercise to ensure that its preferences, rather than the agent's, are defining the agent's actions. Ironically, one of the greatest limitations to the principal is also one of the key reasons to delegate in the first place. Knowledge deficiencies on the part of the principal lead it to seek experts in the relevant field to accomplish tasks the principal cannot.. The unique expertise the agent possesses can also be used to further the agent's agenda over that of the principal within limits that prevent him or her from being fired. The power of information is indisputable, and becomes even more influential when one party of the dialogue has a clear information advantage.

Terje Hagen (1997) and Arthur Lupia and Mathew McCubbins (1994) address possible problems arising from an uneven distribution of information. Hagen presents a model of agenda setting power in public sector principal-agent relations that highlights the problems involved with an agent that possesses private information the principal needs to make policy decisions. The situation he describes is one in which the agent is responsible for both carrying out the wishes of the politicians and providing the politicians with decision-relevant information. There are two possible scenarios that can arise from this situation. If the value of the agent's information is

great enough to offer it true agenda setting power, it can force the principal to approve policies that diverge from the principal's ideal point. If the principal retains agenda setting power, but remains at a sufficient information disadvantage, problems of low efficiency may result. Low efficiency, in this case, is caused by the agent exploiting his information advantage to choose actions that will lead to an outcome that differs from that preferred by the principal. This scenario can be applied to the military when the parliament issues directives for prioritization of financial or manpower resources and the military fudges on the directives' goals because it has private information that suggests an alternative resource allocation scheme.

Lupia and McCubbins (1994 and 1998) recognize the problems discussed by Hagen and offer three ways for a principal to learn about the consequences of accepting an agent's policy proposal. First, the principal can acquire the expertise the agent possesses. This is often prohibitively costly in both time and money, if in fact it is at all practically feasible. Second, the principal can rely on the agent to provide information about the proposal. The potential problems here are obvious. If the agent is attempting to color the debate on a policy issue in its favor, why should it be trusted to provide reliable information that may sabotage its position? This in itself creates another agency problem. The third avenue for the principal to learn about the proposal is to seek out an informed third party to provide information about the proposal. This is often what is done, but the same agency problem potential that exists in the second alternative presents itself here. How does the principal know that the information it is receiving is truly presented to highlight its preferences?

In Central Europe there exists an additional problem when trying to avail oneself of this third option. In the area of national security, there are very few informed third party sources the legislature can turn to for expert advice. Alfred Stepan (1988) addresses the problem of information asymmetries in the defense sector by placing the blame squarely on the shoulders of the civil society. He contends that the formal study of military organizations and international relations has been neglected in new democracies. He points to the presence in most major democracies of at least one major civilian-led independent research institute concentrating on military politics. The creation of such institutes should be high on the agenda of the emerging civil societies. He also calls for the inclusion of military experts on the staffs of newspapers, television stations and the weekly press. If the McCubbins and Schwartz' fire alarm method of oversight is to be meaningful, civil society must be able to identify a fire. In Hungary, fire-identification skills are very low.

The hurdles that information asymmetries can create for smooth operation of any principal-agent relationship are numerous. In the area of national defense and in the context of civil-military relations they can be exaggerated due to the special expertise required to fully understand the military culture and its war-fighting capabilities. In Hungary this is especially evident due to the very low levels of civilian expertise in defense matters.

From this discussion, it is clear that the principal-agent model, in conjunction with the alliance literature presented earlier, has valuable insight to offer in the quest to understand Hungary's defense reform failures. There are two important factors,



however, that suggest a need to supplement the basics of the principal-agent model in order to fully grasp the Hungarian case. First, NATO's ability to motivate aspiring states to fulfill the requirements of membership (in essence, play the role of principal) is limited by the fact that the agents in this scenario are sovereign states with their own priorities to consider. NATO's reluctance to forcibly step in and demand action demonstrates the delicate position in which the alliance finds itself. It would be difficult to substantiate the democratizing effects of NATO if the alliance took an overly heavy-handed approach and tried to overrule the democratically-elected governments in these states.

Second, while the story told in this study focuses on the domestic policies and decisions dealing with the defense reform issue, the principal-agent relationships in that domestic story are deeply affected by the international environment in which Hungary found itself in the decade of the 1990s. Security uncertainties, among other things, led Hungary to aggressively seek a close relationship with NATO. Once the possibility of membership became a reality after the 1994 Brussels Summit, nearly every foreign policy decision was measured against its positive or negative effect on Hungary's potential NATO membership. Domestically, this engendered significant agreement and a commonality of interests between the government and military concerning the need for defense reform. Whereas the principal-agent model would predict that this agreement of interests would facilitate reform, this study will attempt to explain the Hungarian case by reconciling the consensus of opinion for reform to

gain NATO membership with the sharp conflicts in interests between the government and the military concerning how any reform would be formulated and implemented.

### **Comparative Civil-Military Relations**

Before venturing forth to examine the Hungarian case in detail, and given that one of the fundamental reforms necessary for Hungary's integration into Western defense institutions is the establishment of effective civil-military relations with clear lines of authority and accountability, is important to understand the significant distinctions between communist and democratic civil-military relations. Historically, the key actors in national security and defense politics, in both western democracies and a Soviet style communist state, have been civilian politicians and the military establishment they are charged with controlling. The relationship between these key actors has generated volumes of literature in the fields of sociology and national security studies exploring the appropriate boundaries for civilian involvement in military affairs and military involvement in politics.<sup>9</sup>

One of the challenges for Central European states is how to redefine the respective roles of politicians and soldiers as a result of the transition from communist rule to fledgling democracies. Samuel Huntington's (1957) concept of military professionalism in what he terms objective civilian control, mandates that the military can have no political role. Unfortunately, this does not reflect the dynamics that operate in the modern democratic state. The military is an interest group that must

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<sup>9</sup> Samuel Huntington's *The Soldier and the State* (1957), Morris Janowitz' *The Professional Soldier* (1960) and Samuel Finer's *The Man on Horseback* (1962) are three classics in this body of literature. Amos Perlmutter has also written extensively on the role of the military in politics and society.

protect its corporate interests. The key for the civilian authorities is to design the military organizations and institutions such that the military feels its interests are taken into consideration, but the protection of those interests does not jeopardize the desired dominant position of the civilians in the relationship. Huntington's typology of civil-military relations also does not work well when examining relations in communist systems.

In an effort to bridge the gap between the abundant literature on western civil-military relations and the lack of a systematic body of literature for communist states, Amos Perlmutter and William LeoGrande (1982) attempted to take a step toward establishing a theoretical framework for civil-military relations in communist systems. Whereas in western models the military's role in politics is kept to a minimum, Perlmutter and LeoGrande argue that the army is one leg of the "iron triangle" of politics in communist systems (pg., 778). Civil-military relations in communist systems are embedded in a more complex set of authority relations than in non-communist ones. In western democracies the crucial bulwark against military intervention has been constitutional structures that define military authority and their realms of operation (Huntington 1957, 80-84). The constitutional basis for civilian control in democracies is derived from two assumptions that are largely irrelevant in communist systems. First, there is the assumption that there is a clear division between civilian and military elites that makes conflict among them an inter-institutional conflict between civilian and military structures (Perlmutter and LeoGrande, 780). Second, it is assumed that either the civilians or the military

subscribe to the norm that the military ought to be apolitical, that is to say that it does not interject itself into political debates in ways that challenge or compete with civilian authority (pg., 780).

In Perlmutter and LeoGrande's model for communist systems, there exists a continuum on which any state can find itself, with the key determinant being military autonomy. That spectrum runs from the coalitional relationship as seen in the Soviet Union to the fused relationship evident in Cuba. Regardless of where a state falls on this spectrum, there are also constants in the model that exist by virtue of the dominance of the Communist Party. Like all political structures in communist systems the military is constitutionally subordinate to the party. The primacy of the party is the norm within which military participation in politics takes place. The military, like all other institutions, is intentionally politicized. To speak of military intervention is a misnomer because the military is a normal participant in politics (pg., 781). Party and military elites are among the most integrated elites in the party-state system. The notion of the military being "the party in uniform" is both the source of military politicization and the guarantor of party supremacy (pg., 781). This dual elite system encourages military loyalty to the party from which the military receives whatever degree of autonomy it possesses. Civilian control is safeguarded by the vanguard role of the party, a principle that a highly politicized military shares (pg., 786). The presence of high ranking military officers in influential party posts is an important indicator of the military's support for the party's dominant role. An extensive network of political education officers in the military units helps ensure that

ideologically questionable officers do not reach the higher ranks, thus keeping the relationship intact.

The politicization of the military under communist systems makes the transition to a democratic relationship difficult. The legacies this feature of communist civil-military relations leaves are two-fold. First, because the military occupies the key leadership positions within the defense establishment, there are few, if any, civilians trained to assume those positions when the transition to democratic norms of civilian control are attempted. This breeds two-way contempt, distrust and resentment at a critical time when the new regime is most vulnerable. The second legacy is that of a military that fights to maintain some degree of its former role in policy-making in order to protect its own interests. A military that has been socialized to the position of coalition partner with the political elites is not likely to relinquish that role without some resistance.

Unfortunately for the military leadership trained in the communist system, the tactics used in the communist system to protect military prerogatives are largely unusable in democratic systems. Soviet sponsorship for military programs and budgetary commitments no longer exist. The built-in credibility military leaders and their requirements once enjoyed as systemic priorities has vanished. No longer a co-opted member of the government and party elite, the military in a democracy is forced to assume the role of a bureaucratic interest group which must fight like all other bureaucratic interest groups for government approval of its programs and recognition of its needs. The military leadership has no corporate knowledge on which to lean in

making the necessary adjustments in attitudes and approaches to dealing with the highly competitive environment of post-communist budgetary politics. In short, the militaries of Central Europe have had to learn to be lobbyists for their own interests. As the following chapters will show, in the first decade of democracy, their success in this task has been poor.

So how did this affect the defense reform efforts? Simply put, military needs were no longer a given priority for the government. The military needed to prove to the government that the resources the military was requesting were not only needed, but that they were also of a higher priority than the competing social and economic demands for limited resources. The lack of military lobbying skills, the perception that there exists no immediate threat to national security, and the harsh economic realities of the post-communist transition led the government to be largely unconvinced. In terms of the relationship between the civilian and military leadership, the civilians aggressively exerted their constitutional rights to “Just say NO.” to military claims for resources that the government felt were not adequately justified or necessary.

### **Conclusion**

Reform in any government at any time is an exercise in mediating the interests of potential winners and losers of the reform. In the case of defense reform this is made more challenging by the difficulty in identifying winners and losers. The majority of defense reform measures do not intimately affect the population as a whole. The reforms facing Hungary and the other new members of NATO are dictated by a

number of factors. Not the least of these is NATO's expectations of Hungary's compliance with pre-membership agreements concerning organizational and operational modernizations. Economic realities resulting from the transition to a market economy have also dictated that Hungary downsize its military and rethink the role its military should perform in the current international environment. Interestingly, there seems to be little disagreement among the civilian and military leadership about the need for reform and the most visible benefit of reform—NATO membership. There are, however, professional differences of opinion concerning the means by which this reform should be accomplished.

In searching for explanations for this slow pace of reform explorations into the alliance literature of international relations and the principal-agent literature common in the study of the U.S. Congress and bureaucracy yield interesting perspectives from which to begin to understand the Hungarian case. Alliance literature focuses on the reasons for alliance formation and the mechanics of compliance enforcement. There is little mystery as to why Hungary wanted to become a member of NATO. NATO's reason for enlargement, while beyond the scope of this discussion, are primarily political. No one with any background in military matters would credibly suggest that the driving motivation for NATO's enlargement was the military contributions these new members could bring to the alliance.

Factions of the international relations community writing on compliance argue that an international organization as powerful as NATO should be able to affect the domestic scene in Hungary to encourage reform. Hungary is much smaller and much

less internationally powerful than NATO as an organization or the individual power broker states within NATO. Given the initial uncertainty of NATO enlargement in the early post-communist years and the conditions NATO issued for NATO membership after the decision to enlarge was made, the alliance literature would have predicted a more concerted effort by Hungary to meet those conditions through reform implementation. NATO's failure to provide clear incentives and guidance for reform are factors that seem counterintuitive to the expected dynamic described in the alliance literature.

While the principal-agent literature offers a useful framework with which to examine the bureaucratic aspects of reform, there is more to the story in Central Europe than a tale of an intransigent agent rebelling against the interests of an arguably unqualified principal. There existed general consensus on the key issues concerning the desire for NATO membership and the reality that defense reform was a necessary pre-condition for that membership. The fact that even the high benefit, low cost reforms that could have demonstrated an encouraging level of sincerity to NATO proved elusive suggests that this consensus was not sufficient to yield meaningful reform. The issues on which the civilian and military leadership does not agree, concerning the specific means of reform, provide important insight into the Hungarian situation.

The explanation detailed in the chapters ahead focuses on the differences between civilian and military leaders and their priorities in the reform agenda. Several of these differences arise from the legacies of communist era. The experience of military



officers in the communist system failed to prepare them for the tasks of managing a democratic military and for the changing dynamics of serving a democratic government controlled as much by constituent opinion as by ideological passion. The lack of government experience and national security expertise by many of the post-communist civilian leaders also failed to prepare them for their duties of directing the defense establishment. The result has been a reform requirement that has the rhetorical support of both military and civilian leaders, but lacks the expertise, commitment, and dedication of resources necessary to get the process off the ground.

The NATO contribution to the problem is found in the divergence between rhetoric and reality. NATO's 1995 *Study on NATO Enlargement* outlined several conditions aspiring new members would be expected to meet if they hoped to be invited to join. Among them were resolution of ethnic disputes and external border disputes, commitment to the principles of democracy, individual liberty, economic liberalism and the rule of law, and demonstrated ability to meet military interoperability requirements in the areas of communications, intelligence and other areas necessary for fulfilling their alliance commitments (*Study on NATO Enlargement*, chapter 5). Despite this extensive list, long before the real decisions were made concerning which countries would be invited at the 1997 summit, it was clear to all but the most naïve observers that the military requirements would not be a significant factor.<sup>10</sup> Political considerations carried the day.

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<sup>10</sup> For detailed discussions on the political debates of NATO enlargement see George Grayson's *Strange Bedfellows: NATO Marches East* (1999), James Goldgeier's *Not Whether But When: The U.S. Decision to Enlarge NATO* (1999), and Sean Kay's *NATO and the Future of European Security* (1998).

The result was a calculated decision by successive Hungarian governments to delay increased defense expenditures in favor of addressing the societal demands for continued funding of social programs that could soften the effects of the economic downturn after 1990. In light of the signals being sent by NATO and the leaders of the key powers in NATO, this was a reasonable decision to make. As the following chapters will show, the delays in reform and defense spending did not lessen the need for reform and have, in fact, arguably increased the money now needed to meet NATO's military expectations. The past decade of neglect has allowed military equipment to further deteriorate and the morale of soldiers to further decline. The financial side of this issue is further complicated for the new members because, as full members of NATO, they are no longer eligible for the multitude of funding sources sponsored by NATO's Partnership for Peace program. For its part, NATO now expects the new members of NATO to fulfill their promises and commitments and is applying continuous pressure on the governments and militaries to move forward with the reforms long ago recommended.

## **CHAPTER III**

### **THE COMMUNIST LEGACY**

#### **Introduction**

The removal of the Communist Party from the seat of power in Hungary did not mark the end of communist influence in the Hungary. For anyone under the age of forty years, the communist way of life was all they knew. For anyone under the age of sixty years, their entire adult, professional life was shaped by the rules and routines of the communist system. This system affected all aspects of life: social, economic, and political. The agreement between the reform communists of the Hungarian Socialist Worker's Party and the opposition groups that led to the elections of 1990 could not and did not instantaneously change the social structure or patterns of behavior of Hungarians. Nowhere was this more evident, and were the imprints of communism more indelible, than in the military and in society's relationship to the military.

The Hungarian military found itself in a difficult position in 1989. Since the failed revolution of 1956, the military was trusted by neither the people nor the government. The military's failure to defend the Hungarian revolutionaries by fighting the invading Soviets or to defend the communist government by fighting the anti-regime demonstrators left it with no advocate in Hungarian society. The Kádár government made clear its lack of confidence in the military's ability and willingness to defend the regime by creating the "Worker's Guard" almost immediately after assuming power following the revolution (Dunay 2002, 3). This lack of confidence also led to the slow, but steady decline of the morale and capability of the military. With no belief

that the military would defend the regime from internal threats and the protection of the Soviet Union-led Warsaw Treaty Organization (WTO) against external threats, Kádár was of the opinion that the best way the military could contribute to the stability of the country was not to cost too much (pg., 4).

The military that emerged from the communist era had long been financially neglected and socially ostracized. While the Hungarian leadership did not publicly challenge the Soviet leadership on major international issues, it did manage to modernize armament and equipment at a significantly slower pace than other WTO member states, despite regular Soviet pressures to the contrary (pg., 4). The priority was to prevent any undermining of the domestic economic stability of the so-called "Goulash communism." Large military investments could very well have jeopardized the initial success of Hungary's economic experiments. As a result of this strategy Hungary had a comparatively poor, outmoded military free of prestige when the transition occurred (pg., 4).

The legacies left behind from the communist experience in Hungary as they relate to the defense establishment were significant to the post-communist era. The Soviet model of civil-military relations allowed for considerable autonomy for the military in strictly operational activities so long as officer loyalty to the Communist Party was observed and the military acted in the Party's interest, domestically and internationally. To increase the likelihood that officers would support the Party and acquiesce to its ultimate control of the military, all officers with any designs on a successful career were required to be Party members. The autonomy the military

enjoyed as a result of its cooptation into the Party structure made it difficult for officers to adjust to the civilian intrusions into their affairs that became commonplace after 1989. The challenge for the new civilian leadership was to depoliticize the military transferring its loyalty from the Communist Party to the nation and the constitution while not neutering the military's ability to use its technical expertise for the security of the country.

A second legacy that affected post-communist reform is the Soviet military education Hungarian military officers were expected to undergo and the Soviet doctrine and strategy they were expected to follow. The effects of this legacy were found at nearly every level of the military chain of command. For the most part, WTO member states were trained to be good military technicians, not to be military strategists (Glantz 1998, 4). The effects of this legacy most readily presented themselves in situations where creative individual initiative was required to solve a problem. In these times, the Hungarian officers' training left them unprepared for the challenge of complex problem solving. As a senior American consultant explained, the typical Hungarian officer was trained to continually look up the chain of command for answers and direction. Taking individual initiative was neither expected nor allowed. After the transition, looking up the chain of command eventually left the officer looking at a civilian who knew even less than the officer did. The result was a military that saw a need to protect its institutional values against a civilian leadership that neither understood them nor valued them, even though the military struggled to clearly define itself in the new democratic era.

Finally, the exclusion of the majority of civilians from any meaningful education in military disciplines had a negative effect on the pace and success of reform. The prohibition against civilian exposure to military matters during the communist period left Hungary with a conspicuous shortage of civilian military experts able to provide new governments and legislatures with independent and objective analysis and advice (Barany 1995, 108). It also allowed the military to manipulate its monopoly of information in order to bias the policy decisions in its favor. This was primarily due to the shortage of voices able to offer perspectives alternative to the military's on issues ranging from budgetary priorities to unit basing decisions. Additionally, the lack of expertise among members of Parliament meant there were few individuals who could meaningfully exercise their constitutional oversight duties. Overcoming this legacy will take years of concerted effort to recruit and educate civilians in defense-related fields.

### **Communist Party Control of the Military**

The Hungarian military emerged from World War II a devastated and virtually non-existent army. Large numbers of officers had fled the Soviet invasion with their German allies. Those that remained were disorganized and nearly depleted of any troops to command (Szent-Miklós 1957, 3). As result, the Hungarian military was able to offer little to the first post-war government in terms of indigenous forces and motivated commanders to prevent the Communist Party's infiltration of the military with its own loyalist contingent.

The Allied Control Commission that served as the occupying force per the armistice agreement with the Soviet Union was chaired by Soviet Marshall Kliment Voroshilov (Barany 1993 and Romsics 1999). Following the 1945 post-war elections, Voroshilov insisted that the victorious Smallholder's Party form a grand coalition government, including the Hungarian Communist Party, despite the Smallholders' strong electoral support of 57% (Romsics, 230). While the defense portfolio in the new government was headed by a series of Smallholder party members, its ability to create an apolitical, democratically responsive military was undermined by the Soviet occupation and the control exercised by the various Soviet missions in Budapest (Szent-Miklósy, 17).<sup>11</sup>

The majority of the key officers in the new army and defense ministry were either anti-German veterans of the war, prewar officers who had left the military prior to the war, but had been members of the illegal Communist Party (known as the Peace Party), or officers who had been captured by the Soviets in the 1942 battle on the Don River (Völgyes 1982, 70). During their captivity many of these captured officers adopted the communist line and returned to Hungary with the invading Soviet armies. The communist supporters were the officers who climbed the ranks the fastest and were protected from non-communist government officials by Voroshilov in the event their authority was challenged. Szent-Miklósy describes one such occurrence involving Smallholder Prime Minister Ferenc Nagy and the Superintendent of the

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<sup>11</sup> In his research memorandum entitled *Political Trends in the Hungarian Army, 1945-1956*, published by the Rand Corporation in 1957, István Szent-Miklósy provides a detailed account of the creation of the new officer corps and the MOD leadership beginning after World War II and continuing through the accession of the officers trained in Hungary's newly formed military schools in the early 1950s.

Armed Forces, General George Pálffy (pg., 43-44). Pálffy, an avowed communist and one of the Party leaders within the military establishment, ordered the arrest and/or execution of 93 individuals alleged to have connections to an earlier discovered small underground group of military officers led by General Lajos Veres, an ardent anti-Communist with an impeccable WWII resistance record. The arbitrary nature of Pálffy's actions and the lack of any court proceedings prior to the administration of punishment were brought to the attention of Nagy. He intervened and ordered the release of the arrested officers. Nagy further ordered the arrest of Pálffy. Voroshilov demanded that the order to arrest Pálffy be rescinded or the arrested officers would be removed to Moscow for detention/further punishment. This incident was one of several that pitted the freely-elected government against the maneuverings of the Hungarian Communist Party for control of the defense establishment.

By 1948, the anti-communist elements of the military had been retired, imprisoned or executed. Beginning in October 1948, thousands of Soviet advisors arrived. It was also during this early post-war period that the Main Political Administration (MPA) was created as an ideological watchdog within the MOD. Originally designed to indoctrinate new army members through the teaching of Marxist-Leninist theory, Communist Party history, Soviet government, and Stalinist strategy and tactics, it grew to become a partner in military command. The political officers during this Sovietization period, primarily consisting of the Soviet advisors, wielded tremendous influence. Military commanders became virtual figureheads since no order was valid without the countersignature of the appropriate political officer (Barany 1993). By



1951 every unit down to the platoon level had its own political officer (Szent-Miklós, 22). This system created a cumbersome dual chain of command that proved counterproductive. The dominance of the political officer led military commanders to use them as scapegoats when military training, recruitment, or other objectives were not met. Also the seemingly competitive position in which military commanders often found themselves fostered antagonism between career military officers and the political officers. This had a deleterious effect on military discipline and morale (Barany 1993, 39).

As the Soviet advisors assumed greater control of the Hungarian military, home communists, such as General Pálfi were expendable. The ensuing purges of undesirable elements in the military, namely individuals who were seen to pose a threat to Soviet control, and the adoption of Soviet strategy and doctrine, firmly established the Hungarian army as a tool of the Soviet Union. To seal the deal, in 1951 the MOD, General Staff, and the Security Police of the Interior Ministry (Államvédelmi Hatóság, AVH) were placed under the command of Soviet Army General Tsvetaiev (Szent-Miklós, 74). In 1952 Russian was introduced as the second service language in the Hungarian Army (pg., 76). Finally, in July 1953 István Bata, a Soviet citizen and member of the Soviet General Staff, became Minister of Defense (pg., 76).

From the earliest days of the post-war era, it is nearly impossible to speak of Communist Party control of the Hungarian military independently of Soviet control of the Hungarian military. Throughout the Cold War the Soviet Union exercised control

of the Hungarian forces on three different levels. First, the Soviet representative of the commander of the united forces of the WTO on the territory of Hungary and his staff exercised daily and operational control over the Soviet and Hungarian armies as part of the southern group of forces (Völgyes, 71). Second, the Soviet military attaché had special liaison offices directly with the Hungarian Central Committee's Administrative Department, the main political department of the MOD, and the Executive Committee of the army's Hungarian Socialist Workers Party organization (pg., 72). Third, the local representative of the Intelligence Director of the Soviet General Staff (GRU) maintained constant contact with appropriate Hungarian military and civilian authorities (pg., 72). At each of these levels, the institutionalization of Soviet control was reinforced as the years and decades of the Cold War passed.

Augmenting the Soviet control of the armed forces was Hungary's own Communist Party apparatus that was omni-present in military units at all levels. The Hungarian Communist Party (officially the Hungarian Socialist Workers Party) placed a great deal of emphasis on its role as supervisor of the military from the beginning of the communist era. The locus of the party's efforts was the Central Committee Secretariat's Governmental and Administrative Department (pg., 72). The primary goal was to insure the "direct subordination of the armed forces to the Party's policies" (*Pártépités* 1979, 79). The network of organizations that made this work included the main political department of the MOD, whose head reported directly to the Minister of Defense and the Central Committee Secretariat's administrative department, the political departments at the divisional level and the political deputies

of the military commanders. Underlying this official party structure is the aforementioned reality that the vast majority of officers were party members and their career success highly depended upon their loyalty to the party's policies. This cooptation of the military involved the placing several senior military officers in seats of the party's Central Committee. Between 1968 and 1988 military representation on the Central Committee averaged approximately 3% (Barany, 1993, 93). Military officers also were members of city and town councils and some senior officers were "elected" to the National Assembly (pg., 93). Placement of military officers in political positions of influence encouraged the development of special institutional loyalties and relationships to the party and the state (Perlmutter and LeoGrande 1982, 783).

The effect of this link between the party and the military also made the extension of increased operational autonomy to the military easier to accept as the science of warfare became more technologically advanced and outpaced the expertise of the party leadership. Granted, the autonomy of the Hungarian military vis-à-vis its party superiors was always overseen by the ever-present 60,000 Soviet troops stationed in Hungary, but the military-to-military relationship between Soviet and Hungarian troops was conceptually different than the political control relationship between the military and the party. The professional camaraderie that exists between fellow military officers of allied nations, even if there are superior-subordinate undertones, adds a context of collegiality and mutual understanding. After all, the Soviet military was no more politically independent than were the Hungarian armed forces. It was the

this sense of autonomy to conduct military affairs in cooperation with their Soviet “advisors,” combined with the privileged position the officer corps enjoyed by virtue of its participation in the party apparatus, that made the transition in 1989 difficult. The eagerness of the civilians after the transition to assert their control over the military drove it into a somewhat defensive position trying to protect its institution interests and military professionalism.

### **Military Education**

If the legacy of politicization of the military and its desire to remain professionally autonomous created problems for the new democratic civilians after the transition in 1989, the legacy of the Soviet military education program for NSWP armies did the same for the Hungarian officer corps. No longer reliant on the Soviet strategies of the Cold War and no longer forced to abide by Soviet military doctrine, the Hungarian military entered the new democratic era void of vision and lacking the tools to create one. This was not only bad for the military, but equally detrimental to the civilian leadership in its efforts to develop national security strategies and principles of national defense based on Hungary’s post-Cold War realities. Lacking their own expertise, the civilians looked to the military to provide expert assistance in this task. Unfortunately, the military was not much better prepared to develop these fundamental, but vitally important, pillars of national security. The problem was that the Hungarian military had never been forced to develop these aspects of security before. They had been issued national strategies and doctrines from the Soviet High

Command. The Hungarian role during the Cold War was to be expert operators, engineers, and battlefield commanders.

The military education system in Hungary was modeled after the Soviet system. It emphasized political socialization striving for ideological loyalty to the communist cause. During the 1970s and 1980s the Hungarian military struggled so severely to meet its recruiting goals for military colleges that it often waived the most basic academic requirements (such as the possession of high school diploma) as long as the candidate was ideologically suitable. Once commissioned through a military college that focused on the technical skills of the candidate's prospective career field (infantryman, aircraft mechanic, etc) and political indoctrination, the new officer would serve in his specialty for a period of years determined largely by mission necessity.

Graduate military education for Hungarian officers represented the opportunity to serve on the General Staff, a highly desired posting due to its location in Budapest and the increased pay. Graduate-level training was available in Hungary at the Zrinyi Miklós Military Academy or in the Soviet Union at the Frunze Military Academy or the Voroshilov General Staff Academy (Barany 1989, 379). The curriculum at these institutions varied, but all contained a heavy dose of political topics and ideological training. The Soviet schools also provided advanced training in combined arms command, which is the foundation for employment of large formation armies. Zrinyi focused on the technical specialties of the average Hungarian officer. The key point here is that none of these schools provided training in strategic planning or doctrinal

development. They, instead, focused on the implementation of the strategies and doctrine developed by Soviet strategists. As will be discussed in the following chapters, this void in the education of Hungarian military officers has been an important factor effecting post-communist defense reform.

### **Civilian Expertise**

What the military officer lacked in strategic planning and doctrinal development training, the post-communist civilian leadership lacked in basic understanding and knowledge of defense-related affairs. This was primarily due to the lack of opportunities for civilians to study these topics in communist Hungary. For most Hungarians, their only exposure to the military was through the conscription program. The 18-24 months each male was required to serve represented the entirety of his personal contact with the armed forces, unless a family member was a part of the professional military forces. This conscription period was universally considered a waste of time in which no real military skills were learned. Not only was the conscript frustrated during his time of service, but his experience shaped his and his family's view of the military throughout their adulthood. The effects of this on the social prestige of the military were decidedly negative.

While no studies have been published on the extent of the prohibition against civilians studying national security affairs, anecdotal evidence, information gathered from interviews in Hungary, and nearly every study on post-communist civil-military relations points to low levels of civilian expertise and the negative impact that has had on the ability of civilians to intelligently engage military officers and foreign advisors

on the subject of defense reform. Rudolf Joó's (1996) paper on democratic control of the armed forces is a good example. In it he lists three difficulties civilians encountered in Hungary after 1989 as they tried to assert their constitutional oversight responsibilities. First on the list is his assessment that "there was virtually no civilian expertise on defense and security matters" (pg., 13). He blames this deficiency on the previous excessive concern for military secrecy, leading to the exclusion of national security issues from public debate (pg., 13). Others in Hungary informed me that there were no national security studies programs in the universities of the Warsaw Pact, and even if there had been, the public disdain for the military would have kept most students away from that field of study (Interview, see fn. 1).

The legacy of civilian ignorance in defense matters will be a burden for the immediate future of defense reform throughout Central Europe. It hampers the development of realistic defense policy based on an understanding of the current strategic considerations. It also hinders the ability of civilian leaders to effectively engage their military counterparts on the reform priorities and practical limitations of their current financial and political situation.

### **Conclusion**

Although the communist era has been a part of Hungary's past for over a decade, its impact on the political and social landscape lingers on. It is not the cause of failures in current policy decisions or programs, but the legacies that the communist experience left behind do affect the perspectives with which current actors approach

their responsibilities. The legacies also affect the tools with which those same actors come to the political arena to participate.

In the arena of defense, the strong interdependent relationship between the Communist Party and the military left considerable challenges to be overcome if long-lasting reform is to be realized. The military has to make concessions on its sense of appropriate autonomous decision-making and behavior. It must also learn the art of strategic planning so that it can be the expert advisor the civilian leadership will need and expect from it. The civilians need to aggressively seek out and acquire the necessary defense-related information to allow it to be a partner of the military's in national security policy-making and strategic development. Without each side taking its own responsibility for overcoming the baggage of the past, the road to the future promises to be a whole lot rougher.



## **CHAPTER IV**

### **ORGANIZATIONAL REFORM**

#### **Introduction**

The removal of János Kádár from the leadership of the Hungarian Socialist Worker's Party in May 1988 marked the beginning of the end of communist control in Hungary. Reform communists within the Party leadership sought to take advantage of the opportunities presented by Soviet Premier Gorbachev's policies of glasnost and perestroika. Gorbachev's public rejection of the Brezhnev Doctrine during a 1989 speech before the Council of Europe further strengthened their resolve (Barany 1993, 115). What began as intentions to implement modest reforms to rejuvenate a frail economy evolved into political debate that opened the door for the return of historic political parties, such as the Independent Smallholder Party (FGKP) and the Social Democratic Party (SDP). These were joined by new opposition movements that became some of the major post-communist political parties such as the Hungarian Democratic Forum (MDF), the Association of Young Democrats (FIDESZ), and the Association of Free Democrats (SzDSz). The political debates led to roundtable discussions in the late summer and fall of 1989 that ultimately determined the means by which the Communist Party would peacefully surrender one-party control of Hungary.

In May 1990, Hungary held its first free elections since the end of World War II. A conservative coalition government led by Jozsef Antall's MDF was elected with the expressed goal of returning Hungary to the community of European democracies. The

challenges for Hungary's first democratic government were overwhelming. Under Antall's leadership, Hungary was tasked with dismantling the communist economic, political and social system in the face of already existing economic troubles and under the pressure of very demanding (and almost certainly unrealistic) expectations from the Hungarian population. To succeed, the government required the cooperation, assistance and corporate knowledge of the entrenched communist era bureaucracy. One of the prominent elements of this bureaucracy was the military.

As the Latin American example has demonstrated throughout the 20<sup>th</sup> century, establishing effective control over the military represents one of the highest priorities for a democratic government replacing one in which the military enjoyed either authoritative powers or special privileges. The reforms necessary to insure the civilian control of the military relied upon the acquiescence of the military to a certain extent. Robert Bates and Anne Krueger make the observation that ultimately reform is about politics and, to successfully institutionalize reform, it is necessary to empower the bureaucrats most closely affected by the reform (1993, 465). Even those bureaucrats who stand to be potential losers as a result of the reform have to be given a sense that it is in their long term interest to accept the short-term cost. In the distrustful environment of the immediate post-communist period, the Hungarian civilian elite were not willing to empower the military any more than they already were perceived to be and the military was suspicious of the political motives of nearly every reform initiative proposed. This stalemate served as an obstacle to reform for each post-communist government following the 1989 transition.

From the earliest days of the transition, integration with the West was a major theme of political rhetoric and foreign policy initiatives in Hungary. As early as 1989, then-Foreign Minister Gyula Horn was the first senior Warsaw Pact state official to suggest that pact members could, in time, join the political, consultative and other organizations of NATO striving for eventual common membership (Reisch, 1993, 35). Hungary applied for membership in the Council of Europe (CE) in November 1989, six months before the first democratic elections in May 1990 (Kovrig, 1999, 255). They were granted admission to the oldest European agency dedicated to the preservation of democracy and human rights in November 1990, after successfully impressing the CE election observers during the May elections. In January 1991, Hungary became the first former Warsaw Pact country to accept associate membership in NATO's North Atlantic Assembly, the alliance's consultative parliamentary body (Reisch, 34). Hungary ended 1991 by receiving associate membership in the European Community (Derleth 2000, 245). With these memberships came the constant reminder from the Western powers that the key to further integration, and the removal of the "associate member" label, was Hungary's successful democratization, including its decommunization of the military.

In the context of this study, decommunization refers not only to the removal of the political party apparatus from the military units, but also the restructuring of the military organization to reflect the contemporary post-communist missions of the military and their appropriate jurisdiction over those missions. A significant part of the decommunization process, as described by Condoleeza Rice (1992), involved

teaching military and civilian leaders alike the difference between political control of a military as exercised by the Communist Party and democratic civilian control of a military as exercised in established Western democracies. Democratic control implies the integration of the armed forces with the state and society (Pecze 1998, 3)<sup>12</sup>.

Successful integration leads to greater social standing and subsequently greater public support for the military. This support, in turn, fosters the conditions for policy and financial support from the government charged with military oversight. In many transitional states, democratic control is mistaken for domination with the intended goal of preventing the military from interfering in civilian political affairs (Caparini 1997, 20 and Pecze, 3). A positive and more productive perspective of democratic control is to understand that the armed forces exist to serve the public. As such, elected officials have the right and responsibility to define policy for the armed forces (Pecze, 3). The reforms that were necessary to accomplish this task were slow in coming in Hungary and many other Central European states. Between 1989 and the end of 2001 the rhetoric of politicians attempting to impress Western observers has not been matched by the implementation of reforms by politicians or military leaders.

This chapter will examine the attempts to reform the organizational structures of the defense establishment to insure democratic civilian control of the military and demarcate clear lines of jurisdiction between the civilians and military officers.

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<sup>12</sup> Studies of communist civil-military relations make similar claims concerning the integrative role of the Party-military relationship. Kolkowicz (1967), Odom, (1973), and Colton (1979) all argue for the existence of a symbiotic relationship (to varying degrees) between the military and the Communist Party. It is the integration of the military into the Party and the sharing of responsibility for the maintenance and success of the regime that characterizes this type of integration. Communist theorists would equate this to societal integration because of the belief (or ultimate goal) that the Party is omnipresent in society and represents an amalgam of societal interests and desires. This is not the notion of societal integration that is the goal of democratic states.

Efforts to integrate with Western political and military structures such as NATO and the European Union were tied to the ability to demonstrate that democracy had in fact become “the only game in town”. A key indicator of this was the degree to which the civilian government was able to show effective democratic civilian control of the military. The evidence presented in this chapter highlights the instability of defense organizational structures and leadership that have ultimately handicapped reform. The military’s quest to retain as much of their communist-era autonomy as possible and the government’s partisan restructuring and re-manning of key leadership positions have prevented the resolution of key territorial battles in the defense portfolio. The essential organizational reform of integrating the General Staff into the Ministry of Defense staff has been held hostage for over a decade due to the politicization of the ministry.

### **Democratic Civilian Control – The Challenge**

Civilian control of the military in Hungary after the transition proved relatively easy to stipulate by law, but difficult to exercise in practice. Douglas Bland (1994) offers a number of interrelated reasons why difficulties were encountered, all of which are legacies of the communist era. The first three of Bland’s observations result from the communist prohibition against civilians studying and gaining expertise in national security affairs. These three include: civilians’ lack of experience in the formulation and administration of national defense policy and the control of a modern army, the complete lack of any coherent defense community that could offer alternative defense and security perspectives to political elites, and the lack of a real civil service defense

bureaucracy that could provide technical expertise to ministers independent of military bias (pg., 121-122). A fourth reason offered by Bland stems from the difference between the role of the military in the Soviet system and its role in a democracy. Emerging from the Soviet era, the military officers had no understanding of how military leaders are to relate to government leaders in a modern democracy (pg., 122). The majority of the senior officers believed in the maintenance of a clear separation of political and military responsibilities. The civilians were expected to assume little more than an administrative function, while the military retained unhampered responsibility for military policy (pg., 122).

Richard Kohn (1997) further highlights the challenges to new democracies by pointing out that militaries in established democracies accept the role of civilians to exercise supremacy in the defining and decision-making areas of defense policy. Fledgling democracies, on the other hand, are faced with the challenge of asserting civilian control over national security policy without unduly provoking military defiance (pg., 141). In Central Europe, this potential defiance is less likely to manifest itself in a possible coup so much as it is to be seen in the battles over who controls what aspects of the military's day-to-day activities. The communist tradition of ultimate Party control over the military had socialized the military to a somewhat subordinate position on the overall social hierarchy.

Rice adds that the task of sorting out civilian and military responsibilities was made even more difficult in the former Soviet-controlled states of Central Europe due to what she terms the creation of a "double void" in civil-military relations after the Cold

War (pg., 28). The demise of both the indigenous communist rule and the collapse of Soviet hegemony over the region's military policy forced the newly democratizing states to simultaneously decommunize and renationalize their military establishments. In effect the new governments inherited armies with no experience co-existing with a *democratic* civilian government which was told by the West to demand political neutrality from its military. Nor did the military necessarily have a national identity. The militaries were commanded and trained by Soviet rules, if not individuals. They wore Soviet style uniforms and used largely Soviet made or designed equipment. The sense of being a Hungarian or Czech Army was subordinate to their identity as a unit of the WTO Army.

Several authors since 1990 have written on the subject of democratic civilian control of military forces with a wide variety of criteria used to define *democratic* civilian control.<sup>13</sup> Out of the numerous articles and typologies come four basic criteria that are common to most all of them. First, democratic civilian control must, first and foremost, be rooted in the concept of representative democracy wherein the defense and security policy-making apparatus is subordinate to civilian institutions that are manned by democratically elected or appointed civilian authorities who must ultimately answer to the electorate for the decisions they make (Caparini, 17). While this may sound quite simplistic and obvious, the distinction being made here is between the standard described above and the situation, for example in Poland during

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<sup>13</sup> For examples of these works see, Marina Caparini's *The Challenge of Establishing Democratic Civilian Control Over the Armed Forces of Central and Eastern Europe* (1997), Rudolph Joó's *The Democratic Control of Armed Forces* (1996), Andrew Cottey, et al's *Democratic Control of Armed Forces in Central and Eastern Europe* (1999), and Jeffrey Simon's *NATO Enlargement and Central Europe* (1996).

the Lech Walesa presidency, where there was a democratically elected government that had de jure control of the military, but the de facto control of the military was exercised by one person (Walesa) who maintained the political loyalty of the military chiefs usually at the expense of the government's defense minister.<sup>14</sup>

The Polish case gives rise to the second almost universally accepted condition for democratic control of the military, that being a clear constitutional and legal framework for the command and control of the military thereby establishing clear divisions of authority between the president, the government and the military leadership. In cases where general staffs are not directly subordinated to civilian ministers of defense, but rather to the president in his role as commander-in-chief, the military is often put in a position to serve two masters. This not only creates potential political problems, but violates the basic military principle of unified chains of command. An example where this created a potential constitutional crisis occurred in Hungary during a taxi strike over rising fuel prices in October 1990. Defense Minister Lajos Für wanted to use the military transport resources to break the strike, but President Árpád Göncz refused to call them out (Simon 1996, 145). Only by Für backing down and working toward a political resolution to the strike was a full blown constitutional crisis averted.

The third generally accepted criterion for the exercise of democratic civilian control is the active participation of parliament in overseeing the performance of the

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<sup>14</sup> For a detailed description of the Polish post-communist experience see Eva Busza's "Transition and Civil-Military Relations in Poland and Russia," *Communist and Post Communist Studies* (1996), Elizabeth Coughlan's "The Changing Structure and Values of the Polish Military" in John Lovell and David Albright's *To Sheathe the Sword* (1997), and Andrew Michta's *The Soldier-Citizen: The Politics of the Polish Army After Communism* (1997).



military. This is most commonly witnessed in the parliament's "power of the purse." By having the final say in the amount of the military budget, and hopefully some oversight into how it is actually spent, the parliament should have a significant effect on the structure of the armed forces and the missions for which it is equipped and prepared to undertake. The most common problem for parliaments in Central Europe is the lack of MPs sufficiently knowledgeable in defense matters to adequately perform their oversight responsibilities.

Finally, the fourth criterion is the existence of professional civilian leadership in the defense ministry under whom the general staff and military commanders fall. As the primary liaison between the government and the military, the civilian defense minister and his top civilian deputies represent the firewall between the military officer corps and the political machines of government. The absence of effective civilian leadership in the ministry opens the door for the politicization of the military leadership as they seek a voice in the bureaucratic battles over budgets and resource priorities.

A fifth condition that is imbedded in several of the ones mentioned above, but often does not get separate discussion, is the practical need for a strong non-governmental component within the defense community (Joó 1996, 5 and Stepan 1988, 129). This includes academic experts, media experts, political advisors, etc, that can serve as an alternative to the military source of information on defense and security matters. In many cases this is the element that transforms institutional rules into practical reality. It is one thing to have written in a constitution that the parliamentary defense

committee has the right and responsibility to ascertain from the military leadership the state of the armed forces on a regular basis, but it is quite another for that to be accomplished in a meaningful way if the members of that committee do not know what questions to ask and whether the answers they are getting make sense. The existence of these external experts is also important for the out-of-power parties. On the one hand, these experts can serve the same function for these potential governors-in-waiting as they do for the party in power, namely, provide expert opinion from a source other than the military. On the other hand, these experts can increase the ease with which a change in government can occur. The having their own defense experts decreases the need to rely solely on the military or on opposition party expertise that may have ulterior motives. The lack of these experts in Hungary was a serious problem after the transition and continued through the decade of the 1990's.

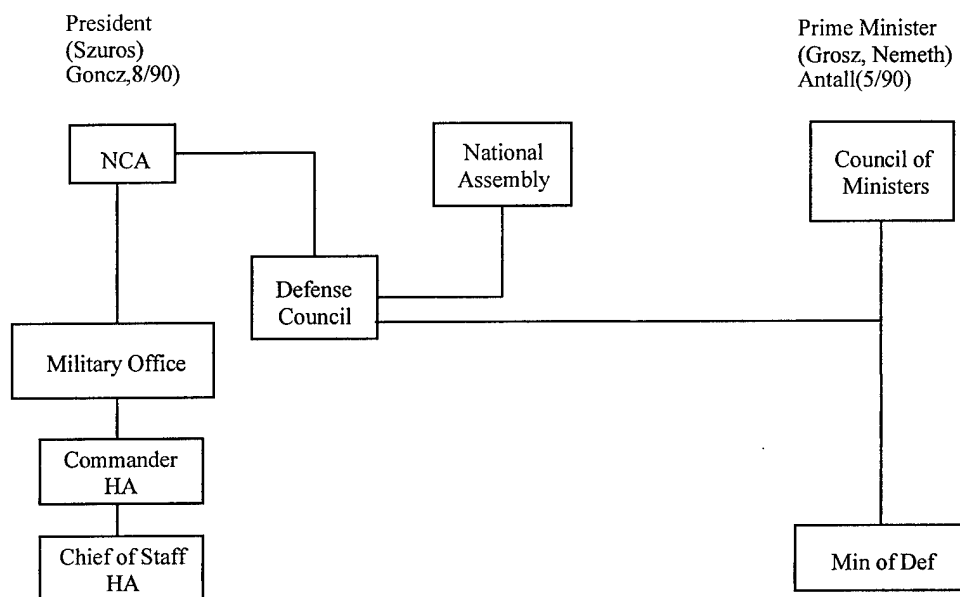
### **Evolution of Reform Prior to NATO**

In many regards the level of democratic civilian control in Hungary evolved in a series of fits and starts. The effect of the communist period on this aspect of military reform was powerful. The predominance of military only experts in the defense arena at the time of the transition, and a last minute reform package passed by the outgoing communist government, led to contentious relations between the military leadership and its new civilian masters and between the ruling and opposition parties of the new government.

### **The 1989 Reform**

In an attempt to isolate the military from the political changes about to unfold as a result of the multi-party elections scheduled for spring 1990, the last communist government, led by Miklós Németh, announced a major defense reform. While the reform had far reaching provisions in its own right, perhaps its most important effect was its creation of an environment in the defense establishment that allowed the legacies of the communist period to survive beyond their natural life. With expectations that the opposition parties would control the parliament, and therefore the government ministries, and that the popular reform communist Imre Pozsgay would be the first president, the reform plan eliminated the party cells from the military and divided the armed forces between an administrative arm under the control of the defense ministry and an operational arm under the direct command and control of the president (Pecze, 15). The division of the armed forces encouraged the military to resist civilian encroachments into its operational autonomy while also preventing the establishment of a unified chain of command under the control of the defense minister. Figure 1 below depicts the organizational structure following the 1989 reform.

Figure 1. Hungarian Defense Reform 1989-90



(Source: Simon 1996, 141)

The new defense ministry retained only 125 staff members of the once unified Communist party controlled ministry (pg., 15). The new Command of the Hungarian Army under the control of the president received the remaining 1100 staff members (pg., 15). Despite the failure of the Németh government to accurately predict the first president, the intended goal of hampering the new government's control over the army was achieved.<sup>15</sup> In an agreement between new Prime Minister József Antall and the leading opposition party (SzDSz), Árpád Göncz was elected president, thus maintaining the division of control over the Defense Ministry and the Command of the Hungarian Army between the presidency and the government. The effect of the

<sup>15</sup> Imre Pozsgay's candidacy never got off the ground due to a referendum that changed the method of presidential election from a popular vote to a parliamentary vote.

reform was to keep civilians, except the president, out of the day-to-day operation of the military.

Not only did the 1989 reform create an inevitable field of conflict between the president and the prime minister over control of the military, it also fostered the conflicts that arose between the former communist networks within the military and the new civilians who occupied the Defense Ministry. It did not help that the first civilian defense minister under the Antall government was Lajos Für, a former professor of agricultural history with virtually no professional qualifications for the defense portfolio (*A Honvédelem Négy Éve: 1990-1994* 1994, 199). According to defense officials interviewed by this author and western consultants to the Defense Ministry, Für's primary qualifications for the post of Defense Minister were that he was a civilian and, at the time of his appointment, chairman of Antall's MDF party.

The lack of military expertise among the new civilian leaders was a major source of distrust between them and the military. This was a direct legacy of the communist policy that had limited the exposure of non-military personnel to defense and security affairs. There evolved a persistent suspicion on the part of both parties concerning each other's motives for any suggested policy change or reform (Szemerényi 1996, 42). The military, feeling under siege from nearly every direction including the political elites, society and the media, feared the military falling prey to incompetent politicians. The civilian elite suspected that the military tendency to thwart their reform efforts was simply a move to hold on to the privileges of the communist era as long as possible. In reality there was some truth to both impressions.

The inexperience of the civilians in managing an army led them to make decisions that profoundly affected the morale, living standards, and operational capabilities of the military with little regard for any of these issues. The key concern for the new government in terms of the defense portfolio was to reduce the size of the military, renationalize the military, and civilianize the defense ministry. In interviews with civilian and military defense officials the response to questions concerning defense reform under Prime Minister Antall consistently yielded the same assessment. The military was numerically cut without any strategic guiding principles, Soviet style uniforms were replaced by traditional Hungarian uniforms, and civilians were appointed to leadership positions in the defense ministry largely based on their status as civilians.

In fairness to the historical record of the Antall government, the above assessment omits one key constitutional question that was solved during Antall's administration. As mentioned earlier in this study, the 1989 division of the defense establishment into two separate bodies, one under the control of the defense minister and the other under the command of the president, created the potential for serious conflict between the president and the government over the use of the armed forces. This potential was realized in October 1990 when a nation-wide transport strike protesting rising fuel prices shut down the highway transportation network. When Für requested the use of military transport resources to break the strike, Göncz refused to call up the military. This led the government to demand a constitutional clarification from the Constitutional Court concerning the relationship between the army and the defense

ministry. In September 1991 the Court issued its decision, ruling that the president, as commander-in-chief, may issue only guidelines, not orders, to the military (Simon 1996, 148). The power to direct the functioning of the armed forces fell to the executive (the prime minister and defense minister).

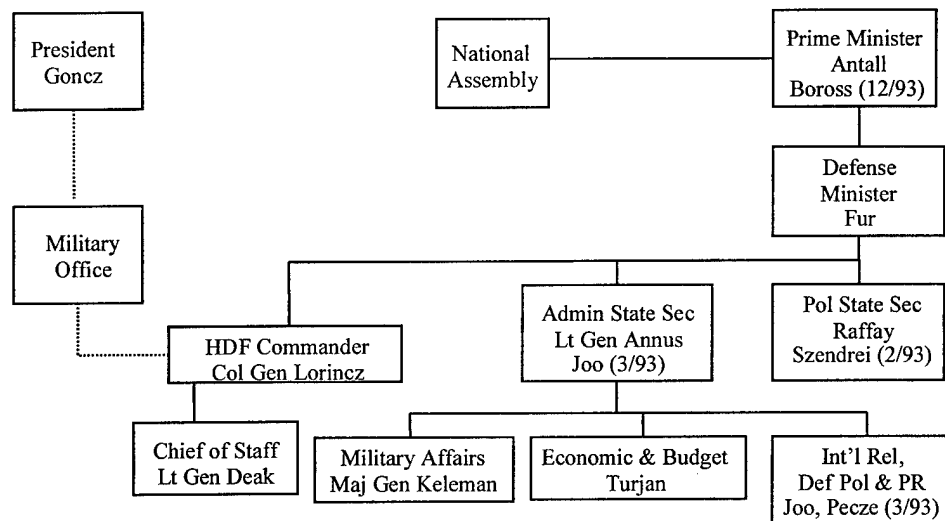
### **The 1992 Reform**

As a result of the Constitutional Court's decision, the defense ministry began a reorganization to correct the problems created by the 1989 reform. The primary goals of the new organizational structure were to subordinate the military command to the defense ministry and to replace career military officers within the ministry by civilians in order to strengthen MDF control over the ministry. As the organizational chart in Figure 2 below indicates, the military commander became an equal of the administrative and political state secretaries subordinate to the defense minister and the chief of the general staff remained subordinate to the army's commander. The effect of this was to insulate the general staff from the ministry and maintain the separate bureaucracies, one under the leadership of the defense minister and the other under the command of the Commander of the Hungarian Army.

While this reform appears good on paper because it removes the President from the day-to-day chain of command of the military, thereby unifying the government's control over the defense establishment, it does not solve the issue of control over the General Staff. One of the fundamental organizational reforms that has evaded Hungary is the integration of the General Staff into the Ministry of Defense Staff. This reform would eliminate the duality of large portions of the administrative staffs

of both organizations. It would also improve the Ministry's ability to oversee and manage the administration of the military. Those responsibilities dealing with budgetary issues, procurement, and overall personnel management would be centralized in the ministerial staff. The operational issues focusing on training and combat readiness would remain in the hands of the General Staff. The 1992 reorganization did not address these issues.

Figure 2. Hungarian Defense Reform 1992



(Source: Simon 1996, 148)

In practice this reorganization solved the constitutional question of executive authority, but it did not solve the larger day-to-day problem of bureaucratic duplication resulting from the existence of two separate military staffs. In part this duplication was a victory for the Commander of the Hungarian Army, Colonel-General Kálmán Lörincz, who wanted to maintain his control over the general staff.



Described by interviewees for this study as a dedicated career soldier who understood in principle the necessity of civilian control of the military but also as one who was extremely distrusting of the civilian leadership due to their lack of expertise, Lörincz was committed to doing what he legally could do to prevent the expertise of the military from being handcuffed by uninformed civilian decisions (Lörincz, roundtable discussion, 1999).

Lörincz' attitude toward the civilianization of the defense establishment highlights the effects of two of the legacies of the communist era, military education and civilian expertise. Lörincz' concern over the potential intrusive nature of the civilian leadership in its effort to exercise control over the military stemmed from a mutual lack of understanding as to the appropriate roles for each party in a democratic society. This was made even worse by the very limited expertise on both sides in the grander strategic arenas of defense policy and planning. While the military sought to protect its technical autonomy, they failed to comprehend that the key areas for civilian control were in the development of national strategies and doctrine to guide the employment of the military's technical expertise. The promulgation of these documents would have served as the blueprint for military organization, force structures, training, and equipment. The absence of a thorough understanding on the part of both sides of just how to develop strategies and doctrine, led the civilians to exert control in areas where the military was rightfully concerned and led the military to continue its siege mentality against any greater civilian intrusions.

The power and influence of Lörincz was evidenced by the government's decision to refrain from a head-to-head confrontation with Lörincz over the government's preference for a complete integration of the general staff into the defense ministry (Simon 1996, 153). While the high Court's ruling in 1992 established the legal framework for integrating the ministry and Army Command staff, the initial necessary step of fusing the positions of Commander of the Hungarian Army and the Chief of the General Staff did not take place until Gen Lörincz reached the mandatory retirement age of 55. Upon his retirement in February 1994, his position was not filled and Gen János Deák, the Chief of the General Staff, added the post of Commander of the Hungarian Army to his portfolio of responsibility (Pecze, 27).

### **The 1994 Reform**

The organizational reforms, including increased civilianization of the defense ministry, that were initiated by the first post-communist government were largely overturned by the victors in the 1994 elections. Winning 54% of the parliamentary seats, the Hungarian Socialist Party (MSzP) formed the new government in coalition with the Alliance of Free Democrats (SzDSz) (Pecze, 30). This coalition controlled a comfortable majority of 72% of the parliamentary seats (pg., 30). With more than the two-thirds majority required to enact defense legislation, the stonewalling of reform by the opposition, which often characterized the first post-communist government, could no longer be blamed for failures during the Socialist administration. This parliamentary majority did not, however, lead to any significant reform in the first half of the new government. The first indication that defense reform would take a different

turn during the MSzP government of Gyula Horn was the naming of retired Colonel György Keleti as defense minister. The return of a retired military officer to the position of defense minister did not alone spell doom for the civilianization efforts of the previous Antall government. The appointment of fellow retired and active duty officers to the posts of state secretaries and deputy state secretaries serving under Keleti, however, did raise eyebrows both within and outside Hungary. A comparison of the ministry's leadership before and after the 1994 election demonstrates the degree to which the "remilitarization" of the defense ministry took place after Keleti's rise to the head of the ministry.

Table 1. Remilitarization of the Socialist MOD

	June 1994 Antall/Boross <u>MDF Gov't</u>	August 1994 Horn MSzP <u>Gov't</u>
Minister of Defense	Civilian	Military
Political State Secretary	Civilian	Civilian
Administrative State Secretary	Civilian	Military
Dep State Secretary (Press&Soc Rel)	Did not exist	Military
Dep State Secretary (Military Affairs)	Military	Military
Dep State Secretary (Economic/Budget)	Civilian	Military
Dep State Secretary (Intn'l Rel/Def Policy)	Civilian	Civilian

(Source: Pecze 1998, 31 and Simon, 1996, 148 and 157)

In addition to the top leadership positions that reverted to military billets, several civilian department heads were also replaced by retired or active duty military officers. Colonel Háber became head of the Military Department, Colonel Grüber replaced

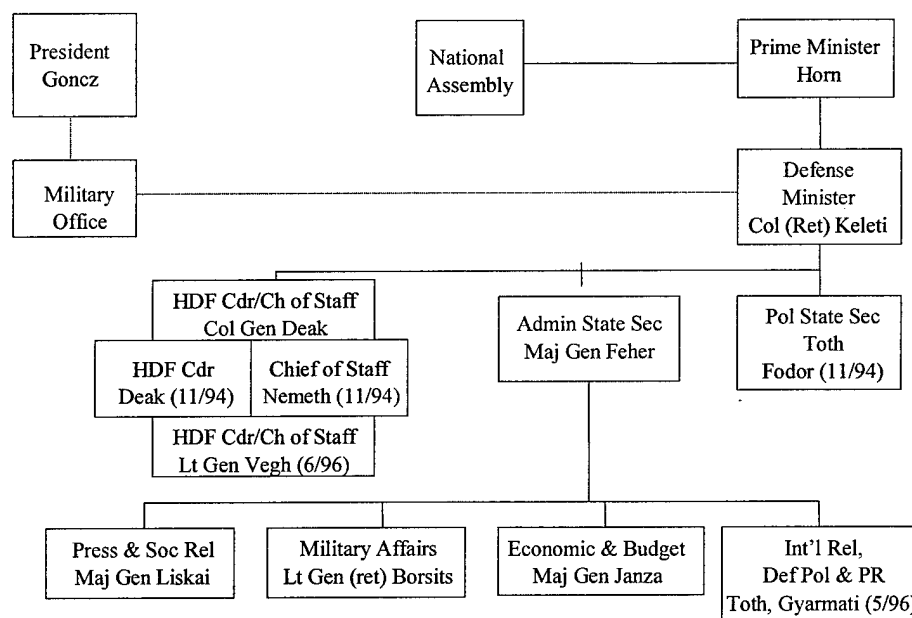
civilian economist Sándor Kovács as head of the Defense Economic Department, and Colonel Szekeres became head of the Department on Social Relations and Culture (Tomori 1994, 21-22).

It should be noted here, and will be discussed in detail later, that the increased attention paid to the post-1994 election defense structures was precipitated by Hungary's participation in NATO's Partnership for Peace (PfP) program. Having signed onto the conditions of the PfP program in February 1994, which included ensuring democratic civilian control of defense forces, Hungary's large-scale reversal of the civilization efforts of the Antall government raised concern for the status of civilian control (Hungary '98, 303). NATO's noncommittal response to Central European states' advances for a closer relationship prior to the creation of the PfP program were offered as a reason by various interviewees for little defense reform during the Antall government. Domestic criticisms of the Keleti appointments, including those of coalition partners in Parliament to include the Chairman of the Parliamentary Defense Committee, Imre Mécs, were claimed to be motivated by a desire to fulfill Hungary's PfP commitments (Mécs 1998).

Concerning the planned integration of the army staff into the defense ministry as called for by the Defense Law of 1993 passed by Parliament, Keleti announced even before taking office that "...one of the first measures of the new government will have to be to abolish the government order that provides deadlines for this fusion..." (*Keleti Discusses Streamlining...* 1994, 1). He went on to indicate his lack of commitment to the planned integration by stating his belief that such integration would impose limits

on the Army's independence and therefore its ability to accomplish its unique professional activity (pg., 15). In keeping with his commitment to protect the autonomy of the military, Keleti also reverted back to the previous arrangement of having a separate Chief of the General Staff subordinate to the Commander of the Hungarian Army. Figure 3 below shows Keleti's initial organizational plan, which maintained the integrity of the general staff distinct from the still much smaller ministry staff.

Figure 3. Hungarian Defense Reform 1994



(Source: Simon 1996, 157)

In the figure, the ministry staff, to include the Deputy State Secretaries for Press and Social Relations, Military Affairs, Economics and Budget and International Relations, Defense Policy and Public Relations, is under the control of the Administrative State Secretary. The General Staff remains under the control of the

Commander of the Hungarian Army. To eliminate any confusion caused by the figure, the multi-tiered box entitled "HDF Cdr/Ch of Staff" represents the pre-reform union of the two positions enacted by the previous MDF government, the renewed separation of the two positions as a result of the initial Keleti plan, and the subsequent reunification in 1996 with the appointment of Gen Végh to both posts. The reunification was a Parliamentary decision to try to improve the efficiency of the ministry and with hopes that the new commander, with his Western training at the US Army War College, would expedite the integration of the General Staff into the ministry.

The problems with Keleti's reorganization were far reaching. In the first place, the maintenance of dual staffs created bureaucratic duplication and overlap that was not only costly in terms of money and time, but also detrimental to effective administration. Initiatives coming from either side had to work their way through both channels, often with little or no cross communication between corresponding agencies in the competing staffs (Szemerényi 1996, 16). This meant that an issue that was being staffed in one chain of command would have to work its way to the top of the originating chain, then cross over to the other chain to be staffed there before coordination and a subsequent decision could be reached. This pattern also made it very difficult for Western partners and the NATO staff to identify their Hungarian counterpart, thus making the promotion of Western integration more difficult (pg., 16).

The General Staff's continued independence from the defense ministry had significant repercussions. Most relevant to this study was the perpetuation of the

communist-era mentality that institutions outside the military, such as parliament, should have no effective role in military matters (pg., 16). Two examples where this created conflict between the military and its parliamentary overseers occurred in the spring of 1996. In the first instance Keleti made a unilateral decision to purchase 100 Soviet T-72 tanks from Belarus without consulting the Parliamentary Defense Committee (Simon 1996, 161). The purchase sparked opposition because Keleti not only made a financial commitment for the government independent of parliamentary consideration, but in using the sale of defense real estate to partially fund the purchase, he also disposed of government property without parliamentary approval (pg., 161). Interestingly, Keleti's violation of the fundamental principle of civilian control over budgetary issues was mediated in some Hungarian policy circles by the financial aspects of the deal. Keleti claimed that the purchase of the Belarusian tanks was much cheaper than trying to modernize the older Hungarian T-55 tanks and that the agreed-upon purchase price was to be approximately one-twentieth of the going market value (Barabas 1996, 1). These factors led some to suggest that Keleti should apologize to the Parliamentary Defense Committee for circumventing their constitutional authority and that the Committee should thank Keleti for making such a shrewd deal (pg., 1). In the final analysis, however, the issue in this case was the fact that Parliament was denied the opportunity to deliberate as to whether "bargain" T-72 tanks was the best way to expend public funds and if those funds might better have been spent on other priorities such as readiness, training or NATO interoperability (Simon 1997, 9).

The second incident that highlighted the military's reluctance to disavow its communist-era sense of legitimate autonomy occurred barely a month after the tank purchase. In May the defense ministry authorized the deployment of 8 MiG-29 fighter aircraft to a NATO-PfP live-fire exercise in Poland without parliamentary approval (Simon 1996, 165). This was in direct violation to the constitutional requirement that any movement of Hungarian military troops or equipment beyond the borders of Hungary be approved by a two-thirds majority vote in parliament. With Prime Minister Horn's support, Keleti successfully deflected blame for the miscue to Deputy State Secretary for Military Affairs Lt Gen (Ret) Borsits. In doing so, he gained high level support against consistent demands from the opposition that he resign (*Horn, Opposition Clash Over Air Force Exercise* 1996, 1). In a presentation before Parliament to report the findings of the defense ministry's investigation into the incident, Horn pointed out that opposition outrage was somewhat misplaced given the evidence that this same constitutional violation had occurred at least three times during the tenure of the previous government (pg., 1).

The two incidents described above highlight the problems of control and accountability created by the maintenance of two separate staffs within the defense ministry. Perhaps in no other issue area of Hungarian defense reform did the burden of their communist past haunt their efforts to move forward. The fundamental issue of integration is the division of authority over military decisions. Between 1996 and 2000, the future of integration was controlled by the relationships within the General Staff and the competing viewpoints of the ministry's Administrative State Secretary



and the Chief of the General Staff. The elevation of General Ferenc Vég to the head of the Hungarian Armed Forces in 1996 was highly regarded by the West because, as a graduate of the US Army War College, he was seen as a new breed of Hungarian commander. He had a vision for the future of the military that included being a respected member of NATO and returning the Hungarian Armed Forces to a position of respect in Hungary. In his 1999 PhD dissertation, entitled *A Magyar Honvédség Feladatai és Struktúrája az Ezredforduló Után, A Biztonság Alakulásának Függvényében* (The Duties and Structure of the Hungarian Army After the Turn of the Millennium: In the Process of Shaping Security), Vég outlined his ideas and why he understood the importance of molding the Hungarian Army into a Western style organization, if it was to be a credible asset to the country and NATO. Unfortunately, in the first 18 months of his tenure, serving under him were several senior officers who did not share his enthusiasm for his vision, a major aspect of which was ministry integration. The combination of Defense Minister Keleti's apathy toward the subject and the internal battles over how it might be accomplished left the topic stillborn under the Horn government.

### **The 1999 Reform**

After the May 1998 elections, a new government was formed under the coalition leadership of the Association of Young Democrats (FIDESZ) joined by the Independent Smallholder's Party (FKGP). The focus with which the new Prime Minister, Viktor Orbán, would attend to defense matters was indicated in the opening days of the new government when the defense portfolio was given to the junior

coalition partner, FKGP. Their choice for Defense Minister was János Szabó, a lawyer by training with little to no experience in defense matters.

Within the defense ministry, the appointment of Szabó to head the Ministry met with domestic and international concern. The military was concerned over Szabó's lack of defense related background and the potential NATO allies were concerned about the future of defense reforms for the same reasons. The United States was concerned to the point that they convinced the Orbán government to retain a holdover from the previous Socialist government, István Gyarmati, as the Deputy State Secretary for Integration and International Relations. Dr. Gyarmati established himself among Western countries while serving as a member of the Hungarian delegation to the Organization for Cooperation and Security in Europe (OSCE) and as a Hungarian negotiator for the Conventional Forces in Europe Treaty in the late 1980s to the early 1990s. He also served on NATO committees dealing with the Yugoslav crisis of the 1990s. Through these associations, Gyarmati became respected as one of a select few civilian defense experts in Hungary. His tenure in the defense ministry during the Orbán government was short-lived, but, while there, he did provide continuity from the previous government and a known contact for US and other western defense officials. Differences of opinion with Tamás Wachsler led to Gyarmati's reassignment to the Ministry of Foreign Affairs in 1999.

With the election of Orbán to the premiership, the tone of government changed. While I would argue that Orbán was no great champion of the military, he was politically savvy enough to recognize that the past eight years of stalemate on the

issue of defense reform was not going to serve Hungary well in terms of its international credibility. Hungary was making certain promises to NATO as a part of its accession negotiations, and Orbán was committed to see those promises fulfilled. High on the list was the integration of the General Staff into the defense ministry. To lead the charge was Orbán's personal pick as the defense ministry's Administrative State Secretary, Tamás Wachsler. As a long time member of the Parliament's Defense Committee, Wachsler was viewed as a defense expert to balance the total lack of expertise held by the new Defense Minister Szabó. The relationship between Wachsler and the military was tense. Determined to bring the generals under civilian control, once and for all, he set out a plan of ministry integration that involved placing the Chief of the General Staff under him in the chain of command and absorbing the military staff into the ministry (Szurgyi 1999). The military's reaction was expectedly antagonistic to the idea of making the military organization subordinate to the Administrative State Secretary rather than the Minister of Defense.<sup>16</sup>

The resulting confrontation led to Végh's resignation in 1999. Constitutionally, Végh's replacement was nominated by the government, but was required to be approved by the President. The government, on recommendation from Wachsler, chose General Lajos Fodor primarily because it was expected that he would go along with the Wachsler plan (Szurgyi 1999). Within less than a week of his appointment,

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<sup>16</sup> For comparison, the US model places the military service chiefs under a civilian service secretary who reports directly to the Secretary of Defense. The military chiefs also serve a second function as members of the advisory group known as the Joint Chiefs of Staff, headed by the Chairman of the Joint Chiefs of Staff, the senior US military officer. The integration of the US system places the policy making responsibilities within the Department of Defense's staff and the military operations responsibilities within the individual service staffs.

Fodor expressed disagreement with the Wachslers plan. Fodor proposed his own plan that left the General Staff separate from the ministry's staff, but reduced in those areas that represented duplication of administrative responsibilities.

Over the course of the next few months, negotiations continued. The military offered no objection to being directly subordinated to the defense minister since that was the current arrangement at the time. They did, however, reject proposals that saw them falling below the state secretary level on the organizational chain of command. As Figures 4 and 5 on the following page illustrate, the recommendation put forth by Wachslers kept the Chief of the General Staff at the state secretary level, but it also involved placing the military general staff under joint supervision by both the Administrative State Secretary and the Chief of the General Staff. The potential problems of this plan were obvious in terms of the body answering to two heads, with often conflicting orders. Wachslers' objective was to appease Fodor's concerns about losing complete control of the General Staff, while at the same time giving himself access to direct the military staff. The military plan offered by Fodor, as described above, kept the General Staff under the direct supervision of the Chief of the General Staff, who in turn reported directly to the defense minister as an equal of the state secretaries.

As subtly different as these two plans appear, an agreement could not be reached. In September 2000, Wachslers resigned his post in the defense ministry. Some suggested that his resignation was a means of avoiding blame for the failure of the

ministry to accomplish the reform in the time frame specified by Orbán (Szurgyi 1999). Others, among them Zsolt Lanyi the Chairman of the Parliamentary

Figure 4. Wachsler Integration Plan 1999

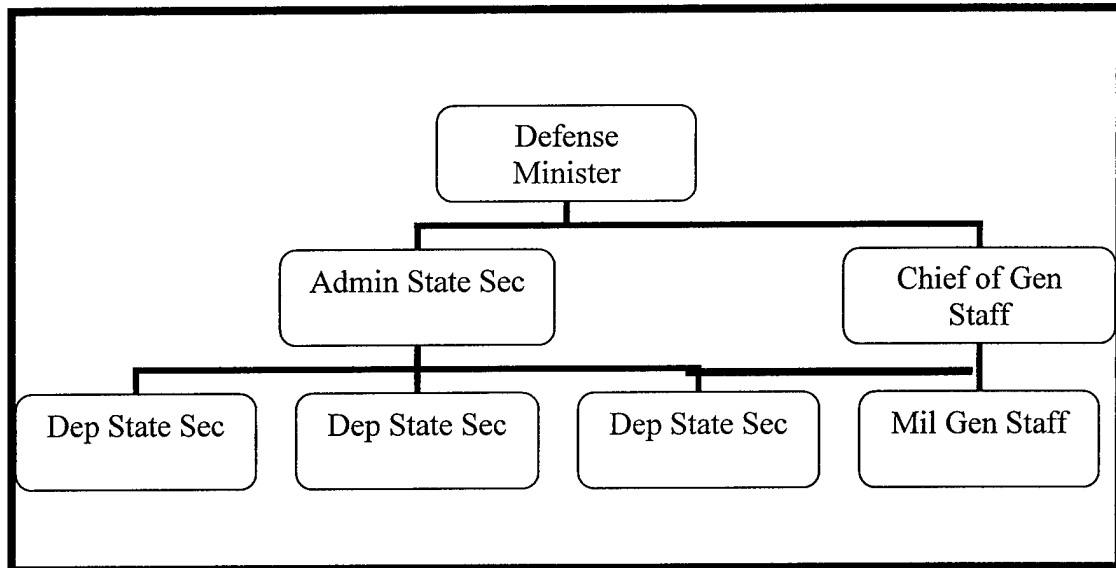
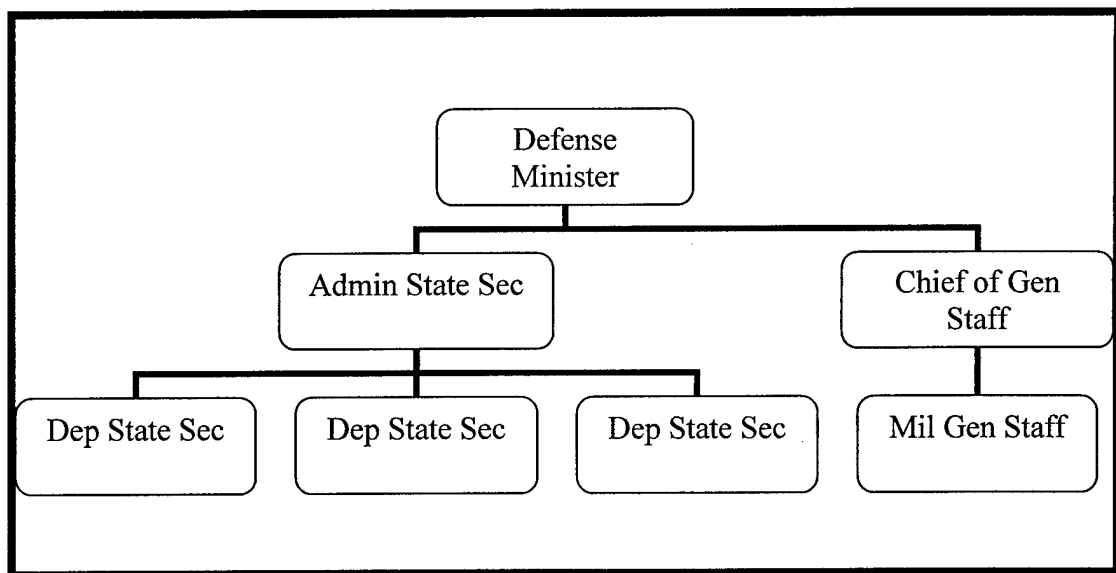


Figure 5. Military Integration Plan 1999



Committee on National Defense, argued that Wachslar was a victim of his own inflexibility and refusal to accept any plan that left the military with, what he perceived to be, too much autonomy (Matus and Sinkovics 2000). As a FIDESZ member in a FKGP-controlled ministry, tensions between Defense Minister Szabó and Wachslar also weakened Wachslar's position vis-à-vis the military generals. Interestingly, and indicative of the influence the generals still maintained in the ministry, the impasse on integration, and subsequent resignation of Wachslar, occurred after direct intervention by Orbán in March 2000. At a commanders meeting in March, attended by Orbán and Szabó, Orbán chastised the army commanders in explaining that there were decisions for which the military has responsibility and decisions for which the government has responsibility, and that he expected there to be no "future arguments over the issue of military and civilian decision-taking jurisdictions and responsibilities." (*Hungarian Premier Tells Military...2000, 1*)).

The integration debate was only one aspect of civilian control that was on less than solid footing as the decade progressed. The status of civilian control of the armed forces in Hungary in July 1997, when NATO extended its invitation to Hungary, Poland and the Czech Republic to begin accession negotiations, was virtually the same as it was when the British study was conducted a year earlier. The military remained satisfactorily depoliticized in terms of its participation in party politics, but the clear implementation of the Constitutional and legal framework for civilian control was hampered by the distrustful environment that existed between the military and the civilian leadership and the lack of oversight resources available to the civilian

apparatus in terms of expertise and staff. As summer turned to fall in 1997, the attention of politicians turned to the upcoming national elections in May 1998. The major reform issues including the development of a national military strategy and the integration of the General Staff into the Ministry of Defense took a back seat to the political realities of reelection campaigning. After all, the NATO invitation was in hand, and it had been won in spite of continuing criticism from NATO leaders concerning the pace of Hungary's defense reform and the shortage of funds allocated toward the defense portfolio.

### **Western Assessments**

The Belarusian tank purchase and the MiG-29 deployment highlighted not only to Hungarian officials, but also to outside observers, that the legal and institutional provisions for democratic civilian control of the military in Hungary looked good on paper, but were insufficient in practice. With the campaign for NATO membership in full swing by the summer of 1996, the gap between *de facto* and *de jure* democratic civilian control led to a serious evaluation of the realities of Hungary's situation. Studies conducted by the British Ministry of Defense and a team from the German Ministry of Defense between 1995 and 1996, at the request of the Hungarian Ministry of Defense, illuminated several irregularities in the Hungarian organizational structure.<sup>17</sup> While the German focus was on the status of the armed forces as a whole

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<sup>17</sup> The studies cited here are just two of many consultations the Hungarian MOD sponsored between 1995 and 2000. American consulting companies such as SAIC and Cubic Corporation have been active in advising the Hungarian government on various issues concerning defense reform since they received their invitation to NATO in 1997 and joined the alliance in 1999. The observations described here come from the written reports of these studies I acquired during field work in Budapest in the summer of 1998 and the summer/fall of 1999.

examining the military's image in society, western language abilities, and organizational effectiveness, the British study detailed the state of parliamentary oversight and democratic control of the Hungarian Armed Forces.

The uniqueness of the Hungarian defense establishment's structure is succinctly assessed by the opening paragraph of Part 5 of the British report. In beginning to describe the organization of the defense ministry the report's author states, "When we started studying the structure of the Hungarian MOD and its relations with the HDF [Hungarian Defense Forces] it struck us that the MOD structure was not one that we were familiar with. It differs from known NATO MODs in that it does not have a General Staff or a senior serving officer within it." (British MOD Study 810 1996, 31). The study reinforced the observations made above concerning the inefficiencies created by dual staff organizations and the difficulties this duality created for effective civilian control (pg., 36). The study also highlighted the reality that the Hungarian defense structure had one formal focal point, the Minister of Defense, but that he was responsible for two separate and often competing organizations (pg., 36). Coupled with the fact that the Minister's staff was a mere 285 in 1996 as compared to the General Staff's numbering near 1,000 and the report's conclusions were that integration of the General Staff into the ministry's chain of command was essential to eliminate duplication and to reinforce the Minister's right of access to all information in the defense community (pg., 34, 38). These capabilities for the Minister to participate in defense decisions on a par with the generals, rather than simply having to rely on their point of view, would enable him to direct military activities through



the military staff in the name of the Parliament (pg., 38). It also would enable the Parliament to hold the Minister justifiably accountable if he has direct authority over the actions and decisions of the military.

The observations of the British study were mirrored in a 1999 report written by the American SAIC consulting group for the US European Command. The need for an integrated Ministry of Defense was echoed in this report as a minimal reform to reduce duplication, streamline management activities, and accommodate the sharp reductions in personnel numbers since the beginning of the 1990s (SAIC report 1999, 39). This study also highlighted the friction caused by the then-current structure due to parliamentary and ministerial attempts to intervene in areas of military operations that should rightfully have been the purview of the military leadership and its staff. The point was made that military and national security policy *development* is traditionally the responsibility of the civilian side of civilian control, whereas the policy *implementation* is generally reserved for the military side. In Hungary throughout the 1990s the distrust of civilians for the military and vice versa caused both sides to tread on the other's domain. The studies cited here both concluded that an integrated defense ministry with a unified chain of command under the Minister of Defense would go a long way in clarifying and managing the various tasks of the agencies under his control.

An interesting anecdote that sums up the reaction of portions of the Hungarian military to this recommendation for an integration of the General Staff into the defense ministry was relayed to me during my research time in Budapest. After the British

study was briefed to the senior ministry and defense staff officials, one of the senior Hungarian military officers present was asked if the military was ready to implement the British recommendations. The response was simply, "Who said we want to implement this?" Given the fact that as of the summer of 2001, the much recommended ministry integration had not taken place, making such an assumption in 1996 (or in 2000 for that matter) would have been a gross miscalculation.

### **Conclusion**

The military frustration at the lack of movement on many aspects of defense reform since the 1998 elections was evident in the many interviews conducted for this study between June 1998 and December 1999. That frustration was both self-inflicted by military inadequacies and externally created by civilian apathy. The legacies of the communist era that prevent the military from fully surrendering its desire for autonomous operational authority served as a source of distrust for the civilians. Lacking the expertise to judge the validity of military perspectives on many reform issues, parliamentarians and other civilian officials generally assumed that there was a military agenda being promoted by military advice. The military desired to show the West that they were professional, capable soldiers worthy of joining the armies of NATO. The realities of Hungary's post-communist financial and social environment made that a difficult test to pass.

On the civilian side of the coin, reform agendas were subordinated to partisan politics. The Antall government filled the MOD with party loyalists who had virtually no experience or credibility with the military or with western organizations. With the

exception of the 1992 reform that established the division of authority between the President and the government, organizational reforms were essentially efforts to solidify governing party control over the defense establishment. Horn's Socialist government's appointment of Keleti as Minister of Defense resulted in an even firmer military stance against ministry integration. By placing retired and active military officers in nearly all the leadership positions of the ministry, Keleti, with Horn's support, effectively rebuilt a communist defense ministry. Civilians played no key role in the management of the ministry. Viktor Orbán's choice of Tamás Wachsler as the MOD's Administrative State Secretary compensated for Defense Minister Szabó's inexperience (and alleged incompetence), but Wachsler's antagonistic approach to the military leadership also galvanized the military generals against most of Wachsler's reform efforts.

With a series of organizational changes lacking in strategic vision and ignoring vast quantities of Western advice and recommendations, Hungary entered the 21<sup>st</sup> century little better than it entered the 1990s in terms of having a reformed defense ministry that it and NATO can rely on to effectively manage a military in serious need of financial and leadership attention.

## **CHAPTER V**

### **CIVILIAN EXPERTISE AND MILITARY TRAINING**

#### **Introduction**

No discussion of defense reform and civilian control of the militaries of Central Europe would be complete without addressing perhaps the most pervasive symptom of the communist era: lack of civilian expertise in defense matters and lack of military training in the higher skills of strategy and doctrinal development. As the bulk of principal-agent literature and civil-military relations literature suggests, the bureaucratic oversight and control of one agency by another demands that both sides of the relationship have a thorough understanding of the requirements for the tasks at hand and the responsibilities of each respective side. Without that understanding one side or the other, or both, walk blindly toward a goal neither can define nor hope to achieve.

In the defense arena, the existence of compatible levels of knowledge and expertise between civilians and the military is vital for the maintenance of a healthy civil-military relationship. Since the development and fulfillment of national strategic plans depends on the ability of each party to know its role and be able to fulfill that role, expertise asymmetries can cause relational difficulties. In an ideal situation the military receives guidelines in the form of a national security strategy issued by the civilian leadership within which it then formulates military strategy and doctrine to address the potential threats and challenges facing the country. Using as a foundation the national goals and interests established by political leaders, the national security

strategy evaluates the international environment and assesses potential threats to the country's national security. It then establishes priorities against which the country's national security apparatus must be prepared to respond. In doing this the government must reconcile the threat assessment with the military capabilities the country possesses. Once a national security strategy is in place, the military leadership uses it as the guideline for determining military strategy and doctrine. The military strategy is an assessment of the force structure and deployment required to achieve or protect the national goals and interests articulated by the political leadership. The subordinate military doctrine is the means by which the national security and military strategies will be fulfilled. It involves the training, equipping and employment of the nation's military forces in such a way as to take maximum advantage of the existing capabilities. Throughout this complex and lengthy process, the military and civilian leadership work together to address problems that may arise from incompatibilities between what the government wants the military to do, as voiced in the national security strategy, and what the military judges it can do, as presented in the military strategy.

To meet its obligations in this situation the civilian side of this relationship must have the knowledge and advisory resources available 1) to create a national security strategy that is reasonable given the country's political, economic, and military realities, and 2) to negotiate with the military on a level playing field to equitably and intelligently settle differences of opinion when trying to match military capabilities to strategic objectives. Lack of expertise in this area can leave the politicians at the

mercy of the military's judgment (and bias). For the military's part, it is looked to by the government for expert advice and assessments concerning the true capabilities and requirements of the armed forces. If the military leadership is not trained to deal with the complexities of strategic and doctrinal development, the entire process can flounder with no direction and no ready solution.

The impact of the communist period on post-communist defense reform in Central Europe is especially evident in the lack of defense expertise. In the Hungarian case, the reasons for the intellectual gap between necessary civilian and military expertise and existing capabilities at the time of the transition and beyond include the lack of civilian education in defense matters during the communist period, the subordination of the development of expertise to partisan interests during the post-communist decade of the 1990s, and the Soviet neglect in strategic and doctrinal training for Hungarian officers during the Warsaw Pact years.

The new democracies inherited a civilian elite absent of the intellectual tools necessary to oversee a military that had been a privileged part of the old order. The Non-Soviet Warsaw Pact (NSWP) militaries emerged as highly trained technicians in their Soviet-assigned duties, but woefully unprepared to take on the responsibilities of developing military strategy and doctrine for a sovereign state responsible for its own defense. The resulting consequences of this inheritance was a frustrated civilian apparatus unable to effectively perform its oversight functions and a frustrated military required to take directives from civilians who the military felt did not know what they were talking about. It also resulted in reform efforts that were often unguided and

based solely on the financial environment, rather than on any strategic consideration for what the military capabilities were and what tasks the government expected the military to perform. Since in a democracy, the civilian leadership is responsible for providing guidance to the military as a part of its civilian control, let us begin the discussion of Hungary's situation examining the civilian side of the issue.

### **Civilian Experts-Educational Limitations**

The literature that discusses the establishment of democratic civilian control over national militaries is unanimous in its assertion that a strong presence of civilian expertise in the area of security and national defense is essential if in fact civilian agencies will be able to effectively manage their armed forces. For members of parliament, particularly members of the Parliamentary Defense Committee, an awareness of military matters is crucial for carrying out budgetary oversight responsibilities, fulfilling their roles in the development and approval of national security strategies that will form the basis for military strategy and doctrine, and intelligently deciphering the myriad of military information that will be under their consideration when the military looks to them for guidance and government approval of plans and programs. Lacking this expertise, the civilian leadership falls to the mercy of the military to provide it with accurate and unbiased information. It is of little use to call the military leadership before the Committee to testify if no one on the committee knows what questions to ask or whether the answers that are given make any sense.

This same problem can arise within the defense ministry if the civilian leadership is inexperienced and lacking the basic military expertise to manage the military it is charged with supervising. It enables military leaders to devise plans and programs that favor the projects that protect their interests, not necessarily those of the government.

Defense-related expertise is not just a requirement for parliamentarians and other government officials directly involved in overseeing the operations of the defense ministry and its military components. It is also important for other members of a functioning civil society. Alfred Stepan (1988) and Rudolf Joó (1996) both make the point that the presence of a strong non-governmental component within the defense community (independent academics, media experts, advisors to political parties, independent research institutes, etc.) capable of participating in public debate on defense and security policy is an important aspect of a healthy state of civil-military relations. These entities are able to serve numerous purposes in and out of government. One of the most valuable services they provide policy makers is offering an objective alternative view to a situation that can counterbalance the view offered by the military. In modern democracies, the research institutes often serve as sources of expert opinions on pending legislation that parliamentarians have neither the time nor the knowledge to research for themselves. They can also serve as a watchdog of sorts (or in the vernacular of McCubbins and Schwartz, a police patrol) to alert the government when it appears the military may be overstepping its bounds. In this capacity it may very well provide the questions that should be asked of military



leaders testifying before Parliament and provide a sanity check on the answers provided.

In Hungary, the presence of these independent sources of military expertise and knowledge is limited. There are three well-known institutes that provide information and serve as research facilities for defense related matters. One of them is the Institute for Strategic and Defense Studies (ISDS), which is located on the campus of the National Defense University and receives funding from the Ministry of Defense. Another institute is the Center for Security and Defense Studies (CSDS), which is directed by retired Colonel Péter Deák. The third organization is the Hungarian chapter of the Atlantic Council. While all of these serve a useful purpose in conducting research and bringing the defense issues into public awareness by publishing articles in the major newspapers and holding conferences on various defense-related issues, their degree of independence is suspect. As one former researcher told me, in Hungary there is no such thing as an “independent” research institute. It is widely held the CSDS is supported by Socialist elements of the political spectrum. The ISDS, as a recipient of government funding, is careful not to venture too far from the reigning governing positions. During the Orbán government, the publication of an article by the ISDS critical of NATO’s Kosovo operation resulted in tighter controls over the institute’s publication practices and editorial discretion (Interview, see fn. 1). The same fate befell the Atlantic Council when it criticized the NATO’s Balkan and Kosovo policies. The message to the Council was that criticism of NATO was equivalent to criticism of the government and, in areas that concerned

defense policy and NATO accession, that was not permissible. Interestingly, out of a sense of frustration and to fill a need in this area, in the fall of 2001 two American consultants in Hungary formed their own research institute called the Center for Euro-Atlantic Integration and Democracy. While its long-term effectiveness is yet undetermined, it has been favorably received both in Hungary and in European defense circles.

To non-government members of society, these non-governmental experts can be the translator of technical and complex issues for the common citizen who desires to remain informed. In the case of the media, they serve to inform and educate their readership or listeners on the compelling security and defense issues of the day. In the United States it was nearly impossible to view a news report by any of the major news organizations during the Gulf War (1991), Kosovo crisis (1999), or the Afghanistan operation (2001-?) without being exposed to the expert opinion and interpretation of events of a leading military or security expert. In a sense, these experts keep both the military and the government honest.

In Hungary this civilian expertise did not exist at the time of the transition due to the virtual monopoly the military had on security matters during the communist period. Unfortunately for the defense reform efforts, the expertise failed to materialize during the decade of the 1990s as well. In the course of numerous interviews with military officers, government officials, western consultants, and research institutes in Hungary between 1998 and 2000 it became obvious to me that the development of any

significant civilian expertise in this field will be a very long process. Among many possible reasons for this, there are two I will focus on in this discussion.

First, there has been limited interest in and limited access to security studies in the Hungarian higher educational system. The low prestige of the military since the failed revolution of 1956 did not improve with the transition to democracy. The demise of the military's standard of living due to budget cuts and force drawdowns since 1990 did not increase the lure of the military or related academic pursuits. The most promising young men and women chose to pursue careers in more profitable and fashionable Western-oriented professions. In discussions concerning the attitudes of civilians already employed by the defense ministry, an official at Hungary's Miklós Zrínyi National Defense University lamented that his efforts to increase awareness and understanding of the finer points of security policy were met with apathy and indifference. After setting up a small organization to conduct analysis of international affairs as they relate to Hungary, he discovered that there was little interest displayed by either his superiors or co-workers in the ministry that he tried to recruit to assist him in writing papers and proposals for government or ministry consumption. There was a general lack of interest in long-term thinking or planning, and any interest that was generated was quickly overshadowed by the daily routine of bureaucratic paperwork made worse by the inefficiencies of the ministry organization.

Other officials associated with screening individuals for attendance at Western schools and training programs also pointed out that the level of interest in attending such programs was low and the quality of the applicants was not what the ministry

wanted to send as a representative of Hungary. Additionally, the majority of the focus in the many Western programs is targeted toward the military officer rather than the civilian. This serves only to widen the gap between the level of expertise of civilians and military officers in the area of security affairs. Since Hungary's admission to NATO these educational opportunities have also come with a price tag. In many cases pre-membership attendance was funded in part by PfP funds, but since joining the alliance the cost of attendance must be paid by the attendee's government. The loss of PfP funding for these programs had a negative impact on Hungary's ability to continue to send significant numbers of people for the valuable training they could receive.

In an effort to make up for this loss of access to vital training of civilians, the Hungarian National Defense University established its own course of study leading to a university degree in National Security Studies. The civilian program began in 1997 and is designed to be a five-year program. Since the National Defense University gained university status in 1999, the acceptance criteria for applicants is similar to those for any of Hungary's five universities (high school graduate with established minimum academic achievement). While the idea for such a program is commendable, Dr. Ferenc Gazdag, Director of Hungary's Institute for Strategic and Defense Studies, posed the intriguing question, "Who instructs the instructors?" (Gazdag 1997, 69). The bulk of the faculty is comprised of officers who taught there for several years and have received only limited Western training. In the assessment of some interviewees, this establishes the real possibility that the civilian graduates of this program will be handicapped by the same strategic and doctrinal limitations as

their Soviet-trained instructors. While this may be a strong possibility, the extensive exposure the students receive in defense and security issues is valuable in its own right. Any means by which the Hungarian government can increase the number of potential civilian public servants conversant in military matters is going to prove beneficial to the quantity and eventual quality of the civilian oversight of the military. The true test for this program will be to see how many of its graduates serve in positions within the defense establishment in Hungary or on Hungary's NATO staff rather than taking their credentials to other, more lucrative civilian professions.

### **Loss of Expertise to Partisanship**

A second reason why the building of civilian expertise will take years to establish is found in the substitution of partisanship for expertise in ministry appointments. The late Hungarian political scientist Ivan Völgyes observed that bureaucratic oversight in the Hungarian system is synonymous with control from the party in power (Völgyes 1999). In his experience of working with and studying the political landscape of Hungary, he described the ministries and their subordinate departments as political fiefdoms. Rather than a ministry and its staff being a piece of a unified governing apparatus, it was a separate political domain reporting to the ministry's controlling party leadership.<sup>18</sup> András Körösenyi supports Völgyes' assessments in detailing the evolving confluence of the political and administrative roles of the Hungarian civil servant (1999, 222-223). According to Körösenyi, the extension of the requirement for political loyalty to the top civil servants in the ministries, and the broadening of the

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<sup>18</sup> Arguably, Orbán's creation of his National Security Council within the Prime Minister's Office was designed as a means of combating this political reality and maintaining some control over the defense ministry despite the fact that it was led by a member of the FKG, the junior coalition partner.

patronage power of the political leadership over the civil servants, has blurred the division between political and administrative leadership. As a result of this lingering phenomenon from the communist period the trend through three government transitions in the post-communist era was that the defense ministry (and from my observations, other ministries as well) was highly politicized leading to large scale personnel turnover with each new government. The staff was changed depending on the party compatibility of the individual with the minister and/or government in power. Creating the impression that political appointee positions go as low as Department Heads in the ministry led the British study, referred to above, to make the explicit recommendation that State Secretaries (except for the Political State Secretary) and below be filled via a non-political post system (pg., 40). While this recommendation is slightly more restrictive than the American example, the point being made was very valid. In an environment in which civilian expertise was already nearly nonexistent, removing those who had gained some level of knowledge through an extended period of on-the-job training was viewed by the British consultants as a waste of expertise that could have been used as a foundation for developing even more.

### **Military Strategic Training**

As important as the development of civilian expertise is to the effective control of a national armed forces by its civilian authorities, the education and training of that armed forces is equally necessary. For the civil-military relationship to work effectively the soldiers must understand the limits of their authority and be trained to

fulfill their responsibilities under a democratic system. The limits of the military's authority are established by constitutional and other legal provisions that define the division of responsibility for the defense of the country between civilian and military agencies. As the Hungarian military emerged from the darkness of the communist era, it had to learn how to function in a democracy and how to be a national army, rather than a client army of the Soviet Union. As a result of that client status during the Cold War, the Hungarian military also had to learn how to be more than good technicians and weapons operators, making the transition to being the strategists and visionaries of their own national army.

In his summary of communist legacies, David Glantz highlights the political and military effects of the 40 years under Soviet control (1998, 2-5). Politically, the issues of greatest national importance during the communist era were decided in Moscow or by the domestic communist party under direction from Moscow. The dominance of the Communist Party removed any concept of checks and balances between the various branches of government, a pillar of democratic governance. Since the military was a co-opted segment of society, the hierarchical structure of decision-making exemplified in the political life of the client states was also very evident in the military relationship between the Soviet Union and its WTO allies. The Soviets provided the model for military strategy, doctrine and tactics (pg., 4). This model dominated military thought, analysis, training and education (pg., 4). Due to the pervasiveness and persistence of this Soviet domination during the 45 years of communist rule, Glantz concludes that the intellectual legacy of Soviet rule may be the most difficult

problem in the military to overcome (pg., 4). The primary reason for this is that it will take more than simply telling the officers to do something different than they have done in the past. It will require a generational passage and intellectual shift that only time can achieve. As Glantz suggests, the West can offer the vision, inspiration, and encouragement along with much needed technical advice, but the Hungarians will have to provide the commitment and labor for real change to occur in the way the military sees itself and responds to its responsibilities in a democratic society.

The challenge for Hungary was how to replace the Soviet military model with one that was more appropriate for a newly democratic Central European state. This required a shift in educational focus and the promotion of democratically-minded mid-level officers to positions of authority. Since military education during the Warsaw pact era focused on war and the operational art of war, the product of that education was primarily military historians and operational technicians (Szemerkenyi 1996, 44). Although Barany describes the Hungarian participation in Soviet military programs (ideally the Frunze Military Academy or the Voroshilov General Staff Academy both in Moscow) during the communist era as reluctant, officers also recognized that if one was to advance up the ranks, it was necessary to have attended one of these institutions (1989, 378-379). With the demise of the Warsaw Pact in 1991, the responsibility for military education also shifted from the military academies in the Soviet Union back to the national military academies. The leadership and faculty of these institutions, having been Soviet trained, was also cause for concern. Responding to a desire to thin the military leadership herd of Soviet-minded generals in hopes of



accelerating the rise of younger, less ideologically entrenched officers to positions of leadership after the transition, Hungary established a maximum retirement age of 55 (Szemerkenyi, 40). While this policy was arguably not as effective as the Czech Republic's lustration policies at weeding out those senior officers who were reluctant to adopt the desired democratic ideals, it did lead to a nearly 50% reduction in the number of pre-1989 generals on active duty within the first six months of the Antall government (pg., 40).

Reassuming responsibility for its own military education, Hungary reassessed and reorganized its military education system after 1989. The reorganization was in part motivated by the desire to accommodate the reorientation of Hungary's national security policy toward the West, but it was also necessary due to the financial constraints of the early 1990s (Reisch 1993, 43). Military secondary schools were reduced in number from ten to three and the curriculum was revised to more closely imitate that of their civilian counterparts (pg., 43). These measures were both in response to the inability to meet admission quotas. The low social standing of the military led the best students to choose non-military options and the old curriculum did little to prepare students for professions outside the military. Since only 40% of the students graduating from the military secondary schools chose to continue on to one of the military colleges, it was felt a curriculum more closely aligned with that of the civilian schools would best prepare the students for civilian careers (pg., 43). Of those who attended the military colleges in the early 1990s another 35-40% chose not to stay in the armed forces (pg., 43). At one college in 1992 only five lieutenants

graduated instead of the usual contingent of between twenty and twenty-five (pg., 43). Most explanations offered for this center around the plummeting standard of living for junior military officers as a result of the military budgetary crisis in the early years of the transition and the poor job security due to the drastic personnel cuts being made at the same time.

In addition to cutting the number of military secondary schools and changing their curricula, the military also examined the postgraduate training for military officers. The focus on technical training as described by Barany (1989) had to be replaced with a curriculum that would produce well-educated, well-trained officers to meet the needs of a modern European army. In a 1992 interview, the defense ministry's Deputy State Secretary for Defense, Major General Lajos Kondor, made the judgment that if the Miklos Zrinyi Military Academy did not bring its curriculum into line with civilian education by the mid 1990s it would have to give up advanced officer training altogether (pg., 43). (As indicated in the previous discussion on the education of civilian defense experts, this conversion was largely accomplished by 1997.)

Throughout the 1990s one of the evolving successes of the Hungarian reform efforts has been realized in the development of its military education system. At the time of the transition, there were three undergraduate military colleges granting officer commissions upon graduation. Each college had a focused curriculum depending upon the future career field of its graduates. The György Killian Air Force College in Szolnok trained air and ground crews focusing on aviation and aircraft maintenance (Barany 1989, 372-373). The Lajos Kossuth Military College in Szentendre

specialized in training the army's mechanized infantry, surface-to-surface artillery, logistics, and border security (pg., 373). The Mate Zalka Military Technical College in Budapest was the engineering school training students in radar technology, signaling, telecommunications, and biological and chemical warfare and defense (pg., 373). The enrollment at each of these schools was estimated to be approximately 1,000-1,200 students per institution producing 300 graduates each year (pg., 373). All graduate training and education was conducted at the Miklós Zrinyi Military Academy after the dissolution of the Warsaw Pact. Each year 50-100 new students enrolled for the two-four year program (depending on the specialization) (pg., 376). The curriculum at the Military Academy focused on the traditional military operations and engineering disciplines. It is important to note that the higher education system in Hungary distinguishes between colleges and universities. The military colleges described above are not equivalent to American military academies. Whereas in the U.S. a bachelor's degree from West Point is equivalent to that of a bachelor's degree from any accredited university, in Hungary the degrees from the military colleges were seen as a step below those granted by one of the five national universities.

Throughout the 1990s, as exposure to Western models of military education was increased as a result of Hungarian officers attending Western schools, it was recognized that the old system of military education was not sufficient to train Hungarians for interoperability with Western counterparts. Language training, particularly in English, needed to be expedited. Courses in strategy and doctrinal

development need to be added to the traditional curricula of engineering and scientific degrees.

Organizationally, Hungary is making modest progress in consolidating redundant and/or unnecessary institutions. The three military colleges have been consolidated into one named the János Bolyai Military Technical College (BJKMFK) (National Defense '99, 1999, 28). The aviation program formerly at Szolnok is now an institute of the Bolyai College. The Miklós Zrinyi Military Academy, now known as the Zrinyi Miklós National Defense University (ZMNE), achieved accreditation as a full university in 2000. All of Hungary's military educational facilities now fall under its jurisdiction. Table 2 below provides information on the available fields of study and enrollments for each of these institutions.

Table 2. Hungarian Military Education

<u>Institution</u>	<u>Fields of Study/Course Length</u>
Bolyai Military College Enrollment: 530 (In-Residence), 365 (Corres.)	Civil Engineering/ 8 Sem Mechanical Engineering/ 8 Sem Electrical Engineering/ 8 Sem Transportation Engineer/ 8 Sem Information Technology/ 8 Sem Security Technology/ 8 Sem
Zrinyi NDU (Command and Mgt Sciences Faculty) Enrollment: 252 (In-Residence) 343 (Corres.)	Defense Management/ 10 Sem Economics/ 8 Sem Finance/ 8 Sem Military Technology and Mgt/ 4 Sem Defense Logistics/ 6 Sem
Zrinyi NDU (Military Sciences Faculty) Enrollment: 413 (In-Residence), 257 (Corres.)	Security and Defense Policy/ 10 Sem Border Security and Defense/ 8 Sem Defense Management/ 8 Sem

(Source: ZMNE website (<http://www.zmne.hu>))

As can be seen in the above table, there is still a significant focus on the operational and technical disciplines. The curriculum of the Military Sciences Faculty at ZMNE does reflect a move toward the more theoretical pursuits necessary to train strategic thinkers, but the end of course examination subjects indicate that the titles are somewhat misleading. For example, the introductory program in security and defense policy ends with examinations in math and history.<sup>19</sup> It is not until a student moves on to the more advanced levels that they are tested in the social sciences. Although it is not a designated part of any degree program, there is also significant emphasis placed on foreign language training at the advanced levels.

I termed the success in the area of military education “evolving” because it is a slow and complex process. As one officer in the ZMNE put it, “We are finding the trees, but have no idea of the forest” (Glantz 1998, 36). This comment highlights the realization that the leadership of the school understands the need for reform, but they are floundering with the details of just what needs to be done and how to do it. The reforms necessary to bring Hungarian military education up to a level that is commensurate with Western institutions will only be realized with guidance from the U.S. and other NATO countries. The dearth of strategy training for Hungarian officers was illustrated to me in December 1999 when a retired U.S. military officer working as a consultant in Hungary told me of his experience trying to advise senior Hungarian officers. He stated that their understanding of the interrelationships between strategy, doctrine and military policy was so lacking that he conducted his

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<sup>19</sup> For specifics on the ZMNE programs, see their website at <http://www.zmne.hu>. It is only in Hungarian, but does have an abundance of information on the university's courses and subordinate institutes.

own mini "Command and General Staff College" with these officers every Tuesday morning for 3-4 hours. He realized that without this background knowledge, none of the work he was doing for the Hungarians would be usable to them.

Another aspect of postgraduate military training that changed dramatically after the collapse of the Warsaw Pact was the inclusion of Hungarian and other Central European officers in the student bodies of Western military institutions. Hungarian officers have attended courses in Great Britain, the United States, Canada, and Germany. Although many of these courses were of short duration and intended to provide only an introduction to Western norms of behavior for a democratic military, some were full year programs intended to train the attendees in a full range of skills and competencies required to manage and lead a modern democratic army. An example of the latter is the US Army War College from which Hungary's former Chief of the General Staff, Lt Gen Ferenc Végh, graduated in 1993 (A Honvédelem 1998, 202).

The value of these courses in educating military and civilian leaders cannot be overstated. Where better to learn the details of the models that are being imitated in the new democracies than in the countries where they are utilized? Despite the unlimited potential benefits from attendance at Western schools, the reality of school attendance selection and post-school utilization has been disappointing. Not only were the majority of school positions allocated for military officers at the expense of civilians who desperately need the education, but also, there was no guarantee that the graduates of Western schools would be placed in positions where their newly gained

expertise could be put to maximum use. In the case of lower level school attendees, who were usually junior officers from operational units, it was not uncommon for those officers to simply return to their units upon return from the school, resuming their duties as if they had never left. In the case of more senior schools, attended by the more senior officers, ministry officials, and possibly parliamentary staffers, the record for returning attendees was marginally better. Most served in either the General Staff or the Ministry staff (defense or foreign affairs) in the period immediately after their return. But for many, the political realities of Hungarian civil service, led to relatively short tenures in those positions. An examination of the credentials and post-school careers of Hungarian attendees to the George C. Marshall European Center for Security Studies may help illustrate the above points.<sup>20</sup>

The Center graduated its first class of 50 military officers and 25 civilians from the defense and foreign ministries of 23 countries in December 1994 (Ulrich 1997, 12). The current menu of courses offered through the Center's College of International and Security Studies includes a two-week Senior Executive Seminar intended for general officers and their civilian equivalents (diplomats, parliamentarians, policy makers and senior government officials), a nine-week "Leaders of the 21<sup>st</sup> Century" Course focusing on the younger audience of captains and majors and their civilian equivalents, and a fifteen-week Executive Program aimed at colonels, lieutenant colonels and mid-level civilian ministry secretaries. As advertised in the Center's material, the joint American-German facility is designed to educate students about

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<sup>20</sup> Unless otherwise noted the data concerning the George C. Marshall Center program was obtained via e-mail from Mr. Robert Rudesill, a staff member in the Center's Graduate Support Office and from the Center's web page, <http://www.marshallcenter.org>.

international security and democratic defense management. The emphasis is on teaching participants *how* to think, rather than *what* to think. In nearly all my interviews with Hungarian military and civilian officials, the knowledge of how to think about defense and security issues was the single most recognized deficiency hampering Hungarian reform progress.

While the Marshall center's programs are open to civilian as well as military students, the Hungarian record of civilian attendance and their subsequent utilization in the defense sector is not overwhelmingly positive. In twenty-two courses between 1994 and 2000, Hungary sent a total of fifty-one students. Of those, only one third were civilian. Of the seventeen civilian students, nearly half returned to positions not directly involving NATO accession or national military issues. In a situation where civilian expertise was scarce, the opportunity to augment it, using the programs of the Marshall Center, was marginalized by emphasizing military attendance and by mismanaging the utilization of the civilians who did attend.

Another factor that has impacted attendance at the some Western schools, including the Marshall Center, since Hungary's accession to NATO, is the funding sources for attendance. Before NATO membership, Hungary qualified for PfP funds for many training programs. As a NATO member, those funds are no longer available, thereby putting the onus for funding school attendance on Hungary's tight defense budget. The impact of that change can be seen in attendance numbers for the Marshall Center in all three new NATO members as depicted in Table 3 below.



Table 3. Attendance at the George C. Marshall Center

	Pre-NATO Attendance (13 Courses)		Post-NATO Attendance (8 Courses Thru 2000)	
	Total	Ave/Class	Total	Ave/Class
Czech Republic	47	3.62	19	2.37
Hungary	36	2.77	13	1.62
Poland	72	5.54	9	1.13

(Source: Rudesill, 2002)

For all three new members participation declined significantly after their March 1999 accession to NATO. The dramatic difference between Poland's and Hungary's pre-NATO and post-NATO numbers is especially noteworthy. Poland and the Czech Republic's attendance in the pre-NATO courses demonstrates their decision to take advantage of the opportunity to send a low cost signal to NATO regarding their sincerity meeting NATO standards. When asked about the difference in the attendance rates, Hungarian and American officials emphasized two factors. First, the low social status of the military in Hungary made it difficult to attract large numbers of potential attendees (military or civilian). Second, many of the people who did volunteer did not meet the qualifications (language, academic, professional) set out by the school for participation. The decline in post-NATO membership attendance levels for all three countries has been largely explained by the financial realities of no longer being a PfP beneficiary. The continuing shortage of civilian defense experts and the continuing reliance on Western military consultants for guidance in their exercise of

defense management responsibilities suggests that Hungary should consider making a new commitment of funds and personnel to take advantage of the training available at programs such as those offered at the Marshall Center.

### **Conclusion**

Rectifying the educational and training deficiencies that have plagued both the civilian and military leadership since the transition represent examples of relatively low cost, high benefit reforms that were slow in materializing in the 1990s. Failure to recognize the importance of these reforms, in turn, created challenges for the implementation of democratic civilian control of the military. Collectively, the difficulties in developing civilian and military expertise in *democratic* defense management and the resulting obstacles to a constructive civil-military relationship can be traced to the legacies of the communist era and modern partisan politics. The military's reluctance to share operational authority led to challenges to the civilians' authority and responsibility to develop defense policy. The civilians' emphasis on party qualifications versus expertise for ministerial appointment virtually caused each new government to begin from scratch in the development of its own civilian corps of defense experts. The primary source of the expertise was on-the-job-training.

The reforms that have occurred in defense-related education are laudable. It will take some years, however, for the graduates of the new civilian program at the Hungarian National Defense University to make their mark in the intellectual growth of the national security field. The military is still in need of programs that focus exclusively on the art of strategy and doctrine development. The business of assessing

threats, measuring current and future capability requirements, and developing strategies and doctrines that marry those factors together to provide for the nation's defense is one that Hungary cannot rely on others to do for it. Only Hungary can determine for itself its foreign policy interests and decide the appropriate means of protecting them. This will require a mix of civilian and military experts working together, not against one another, to advise the government and then help formulate and implement the desired policies.

## **CHAPTER VI**

### **POLITICS OF DEFENSE REFORM**

#### **Introduction**

In the previous chapters the discussion centered on organizational and educational factors that handicapped Hungary's defense reform programs. In this chapter the emphasis shifts to the down and dirty world of economics and the politics that drive them. Reform in any area of government can be an expensive proposition. This is especially true of defense. Closing bases, retraining personnel displaced as a result of manpower reductions, and buying new equipment are all money-intensive endeavors. In Hungary, the oversized and antiquated military that was inherited from the Soviet era exaggerated these issues. Unfortunately for the military in Hungary, recognizing the need for defense dollars was only half the problem. Enticing the government to provide them and the public to support them was another issue. Throughout most of the 1990s, Hungary's defense expenditures decreased in either nominal or real terms or both. Not until 1998 did the defense ministry realize a real growth in its budget. Up till that point any nominal increase was more than overcome by the high inflation levels. As a result of these low budgets, day-to-day operations and reform both suffered.

The financial decisions on defense reform were based on several factors. The size of the armed forces that emerged from the Cold War were far larger than Hungary would ever need to defend itself and larger than it could ever afford to maintain. But instantaneous downsizing of the military's equipment and personnel infrastructure

would have had dire consequences for Hungary's fragile economy in the early 1990s. As a result, much of this infrastructure had to be maintained at some basic level in the immediate post-1989 period.

At the same time that the military is struggling to find the money it needs to maintain basic combat readiness, the public's support for the military and its budget fails to show any signs of improving. The social respect for militaries in several Central European countries was low at the time of the transition because of the military's perceived or actual role in preserving the integrity of the Communist Party's control of power. In Hungary, the military had the added liability of having performed dismally in the face of the 1956 Soviet invasion. There are competing theories as to why the military failed to take an active role in defending the Hungarian revolutionaries in the streets of Budapest and in smaller Hungarian cities, but what the public remembers is that the military predominantly stayed out of the fight in their barracks. In addition to the historical reasons for low public support of the military, the fact that there existed no immediate threat to Hungary in the early years of the transition left the public unconvinced of the need for a large standing army or for an expedited accession to NATO.

In light of the public's sentiments toward the military and NATO membership, the Hungarian governments of the 1990s made the politically astute decision that raising defense budgets at the expense of needed social programs (and valuable votes at election time) was not in their best interests. This judgment was validated by NATO's subsequent emphasis on political versus military requirements for membership. As it

became clearer that their membership bid would most likely not be sabotaged by their poor record on reform, Hungarian politicians found it easier to focus on the domestic social agenda that most concerned their constituents. The end result of these factors was that defense budgets throughout the 1990s proved insufficient for meeting the simultaneous obligations of running a military and reforming it. Choices made predominantly by the military leadership to keep the military running as well as possible left little money for reform.

### **Costly Inheritance**

The Hungarian military that emerged from the communist period was a typical Soviet-doctrine mass conscript army. It was designed to counter the potential threat of a NATO invasion from the west. The basic philosophy was that, with enough men and weapons, the Warsaw Pact forces could win a war of attrition with the West. Nearly all NSWP armies were far larger than the size of their country could justify or afford. From a defensive perspective, the Soviet Union planned for these forward-located forces to serve as a speed bump to stall the progress of invading NATO troops while Soviet troops moved west from their Soviet locations. Offensively, these forces, along with their Soviet “advisors,” would be the initial invading wave responsible for securing transportation hubs and supply resources.

In terms of sheer numbers, Hungary was one of the smallest NSWP militaries, but, for a country its size, it accounted for a significant number of troops, tanks, and armored personnel carriers. Hungary’s military size during the communist era was a reflection of Hungary’s military importance to Moscow and the level of trust Moscow

possessed toward Hungary after the 1956 Revolution (Völgyes and Barany 1989, 44). In general the Northern tier states of Poland, East Germany and Czechoslovakia were the first to receive the modern equipment and were seen as geographically more important and ideologically more dependable to the Warsaw battle plan. In 1992, Hungary accepted the limitations set forth in the Conventional Forces in Europe Treaty. Table 4 below shows the comparison between Hungary's Warsaw Pact strength, CFE limits and current strength (as of 1998).

Table 4. Comparison of Hungarian Forces<sup>21</sup>

	<u>1989</u>	<u>CFE Limit</u>	<u>1998</u>
Personnel:	124,000	100,000	60,985
Battle Tanks:	1345	835	835
Armored Fighting Vehicles:	1728	1700	1516
Artillery Pieces:	1046	840	840
Fighter Aircraft:	166	180	138*
Attack Helicopters:	39	108	59

\*approximately 60 of these are retired and sitting in warehouses.

In the years since 1998, the personnel strength has continued to decline and many of the equipment pieces have become unusable due to lack of spare parts and maintenance funding. As of 2001, the approximate strength of the Hungarian armed forces is 45-50,000 people (Simon 2000, 3). The numbers above give a clear indication of the excess of military resources Hungary possessed during the Cold War.

<sup>21</sup> The information in this table comes from an amalgamation of sources including: *Hungary 2001: The Reliable Book of Facts* (pg., 361-366), *A Honvédelem Négy Éve, 1990-1994*, (pg., 65), and Végh 1999, appendix pages 6, 9.

To fund its relatively large military, Hungary dedicated a consistent 4-4.2% of its annual GDP between 1975 and 1989 (Reisch 1991, 18). This amount was further subsidized by equipment and training donations from the Soviet Union.

In addition to the large numbers of personnel and equipment the newly democratic Hungary received at the time of the transition, it also was saddled with a military overstuffed with officers. The reliance of Soviet-model militaries on their officer corps was the standard. Since most officers had to be party members in order to professionally advance, they were deemed more trustworthy than conscripts or contract Non-Commissioned Officers (NCO). This is important for this discussion for two reasons. First, an officer-heavy military is more costly to maintain. Officer's salaries are higher, their overall benefits are greater in terms of living standards and housing, and, when they retire, their pension is higher. Second, the reliance on officers to do what would be done by NCOs in a Western military leaves the officers little time to become anything more than good technicians. This harkens back to the chapter five discussions on the lack of military training in strategic development. Non-Soviet officers were not expected to be more than good operators of the weapons or machinery they controlled.

The consequences of the Warsaw-era military for the post-communist government is that now they have to pay for the training of the officer corps and for the cost of developing a professional NCO corps in order to be able to function with their Western counterparts. The financial burden of disposing of unnecessary equipment, retraining military members for the transition to civilian life, and training those



military members who remained in uniform for their new roles in a democratic army have all been costly legacies of the communist period.

### **Public Support**

The cost of transitioning to a democratic army has also been affected by the lack of public support for the military and its budgetary needs. Given the tight economic conditions facing most Hungarians in the early 1990s, coupled with the perception that there was no threat requiring military attention, it is wholly understandable why public sentiments did not favor large defense expenditures at the expense of social programs that could help ease the transition. While this was a problem facing all Central European militaries, the Hungarian military was particularly disrespected for its lackluster performance in support of the revolutionary forces in 1956. Public opinion was not improved by the October 1989 publication of Colonel Imre Bokor's critical exposé of the armed forces entitled *Kiskiralyok Munderban* (Petty Tyrants in Uniform). A 41-year veteran of the Hungarian Army, Colonel Bokor exposed the wide-spread corruption and professional incompetence within the armed forces under the leadership of Defense Minister Lajos Czinege (1960-1984). Bokor described the corrupt use of conscript labor and government funds to build a private wildlife preserve protected by an 85-mile long by 10-feet high fence, the routine falsification of the results of various military exercises, the rampant favoritism in the military's promotion system and the general lack of leadership and management competence at the highest levels of the defense ministry and army command (Barany 1989, 3). For his efforts, Bokor was forced to retire from his position on the faculty at the Miklós

Zrinyi Military Academy within weeks of the book's publication, but not without the satisfaction of knowing that his book had received strong support from the lower and middle echelons of the armed forces and from the general population (pg., 6).

The effects of Bokor's book and public perceptions of the military's place in society after 45 years of communism were presented to the defense ministry via a poll they commissioned to be conducted by the Gallup Institute in 1992. A follow-up poll was completed by the same organization for the ministry in 1996. A general conclusion drawn from both polls was that younger individuals and more educated individuals had a more intense aversion to the military and obligatory service (Szabó 1996, 2). The public awareness of living standards was also quite low. In 1992 only 10% of the population guessed the approximate amount of a career soldier's salary and over 60% overestimated it (pg., 3-4). If the belief that the soldiers' standard of living was better than it actually was is tied to the poll result seen below that 75% would not pursue a military career under any circumstances, the dismal view the public had of the military becomes quite clear, given the harsh economic times of the early 1990s. In addition to the Gallup Polls, the U.S. Information Agency (USIA) conducted polls in Central Europe in successive years from 1995-1998 and again in 2000. Table 5 below highlights some of the publicized results of these polls reflecting the low esteem with which the public held the military and how that poor opinion was manifested in low support for defense expenditures. The poor financing of the military throughout the 1990s did little to improve the military's image. In career rankings as late as 1999, the military ranked 23<sup>rd</sup> out of the 25 occupational choices surveyed (Simon 1999, 3).

Table 5. USIA and Gallup Poll Results on Hungarian Public Opinion

	1992(G)	1996(G)	1997(U)	1998(U)	2000(U)
%age who noticed events connected to mil that satisfied them (Reduction of length of mil service and dev of mil technology-most common)	28	35			
%age who felt army was very prepared to defend country	8	5			
%age who would not go into a military career under any circumstances	75	n.a.			
%age who would not accept a civilian position in the Hungarian Army	69	n.a.			
Increase Defense Spending:					
Support			33		
Oppose			58		
Inc Def Spending and Dec Domestic Spending:					
Support			10	16	12
Oppose			88	82	84

Note: G-Gallup, U-USIA

The Polls conducted by USIA also measured rather lukewarm support for NATO membership in Hungary. As mentioned in chapter one of this study, general support for NATO hovered at the 50% level throughout the mid-1990s in Hungary, but support for the more detailed responsibilities of NATO membership was significantly lower. Comparing the three new alliance members in Table 6 below, only in Poland was strong support for NATO membership and its associated responsibilities consistently positive. Interestingly, Hungarian support for membership obligations decreased in several categories between 1998 and 2000. This is not surprising given the Hungarian public criticism of NATO for its handling of the Kosovo situation. The decline also indicates that the Kosovo operation, occurring

only days after Hungary officially joined NATO in March 1999, brought the realities of alliance membership responsibilities to the population in a very real way. Seeing NATO's airborne surveillance aircraft flying overhead every day and seeing U.S. KC-135 tanker aircraft sitting on the tarmac at Budapest's Ferihegy Airport was, perhaps, more reality that the Hungarian populace was ready to accept.

Table 6. USIA Poll Results on NATO Enlargement

	Hungary					Poland					Czech Republic				
	1995	1996	1997	1998	2000	1995	1996	1997	1998	2000	1995	1996	1997	1998	2000
NATO Membership:															
Support	58	57	55	76	67	81	72	83	76	81	59	51	60	68	61
Oppose	27	27	34			8	12	9			27	33	32		
Send Troops to Defend Alliance Partner:															
Support	26	32	33	48	47	55	68	70	65	68	42	45	52	62	58
Oppose	69	60	63	49	47	35	24	23	27	23	50	48	44	33	37
Hosting Routine NATO Exercises:															
Support	28	26	35	52	45	45	67	70	63	70	33	34	47	46	57
Oppose	67	67	60	47	49	45	25	23	28	20	60	61	48	40	39
Permit Routine NATO A/C Overflight:															
Support	35	36	46	62	54	41	53	54	50	58	26	30	36	47	47
Oppose	58	57	50	36	40	47	37	37	42	32	67	63	60	47	50
Station NATO Troops in Country:															
Support	34	44	38	53	53	56	52	55	56	60	30	31	29	37	38
Oppose	59	49	58	45	41	34	38	35	35	30	63	63	66	59	58

Source: USIA, US Dept of State

In light of the information presented in the two previous tables, it is not surprising that defense reform and the associated expenses were not a political or economic priority in Hungary throughout the 1990s. Given that nearly 90% of those polled opposed increasing defense spending if it meant a decrease in domestic spending for such things as education and health care, absent of credible assurances from NATO

that no reform would mean no membership, Hungarian politicians would have committed political suicide had they chosen guns over butter of their own free will. The fact that this polling data was collected by an American governmental agency removes any credible argument NATO could make that it was not aware of the public's opposition to the Hungarian government's efforts to satisfying NATO's vaguely expressed expectations for military capabilities prior to accession to membership.

Indications after their March 1999 accession to NATO did not suggest that the new members would have any easier of a time with public acceptance of NATO responsibilities. The Kosovo Crisis challenged the public's tolerance in terms of the "costs" of NATO membership. Only Poles showed strong support for the bombing campaign with a public approval of 70% (Hendrickson 2000, 29). Not only did the Czech public barely register 50% approval of the campaign, but the government also referred to NATO as warmongers and refused to pay President Havel's travel expenses when he went to Kosovo after the conclusion of bombing to show Czech support for NATO (pg., 30-32). Hungarian response was even more definitive of public dissatisfaction. Being the most geographically proximal country to the fighting, Hungarians registered the strongest disapproval (45-50%) of the three new members (pg., 33). When asked more specific questions concerning specific Hungarian roles, the opposition increased. When polled in late April as speculation circulated about the possibility of a ground offensive, 70% of Hungarians opposed any operation taking place with troops based in Hungary (*Poll Shows 70% Oppose...* 1999, 1) Two weeks

later 72% of Hungarians stated they opposed the use of Hungarian airspace for the purpose of allied bombing missions (*Most Hungarians Oppose...* 1999, 1).

### **Losing the Budget Battle**

The actual expenditures on defense by the Hungarian government since 1989, reveal why the Hungarian military entered the 21<sup>st</sup> century in the condition that it did. In an effort to reduce the heavy financial burden of the communist-era military, Hungary cut the size of the armed forces from 122,400 (1989) to 45,000 (2001) (Simon 2000, 3). During this same period, defense spending as a percentage of GDP declined from 2.8% (1989) to 1.5% (2000, est.) with a low of 1.22% in 1997 (Dunay 2001, 254 and Simon 2000, 3). The estimated 1.6% allocation for 2001 falls significantly short of the 1.81% Hungary agreed to spend on defense as of 2001 during its accession negotiations with NATO (Simon 2001, 3). Throughout the 1990s, military requests for funding to pay for restructuring the force, modernizing the antiquated equipment, closing and consolidating units deemed unnecessary and training designated units to be able to perform their PfP or peacekeeping responsibilities were rarely fulfilled. As a result, these tasks, seen by the military as above and beyond the normal operating requirements, either were delayed, not accomplished or funded at the expense of routine budgetary items.

In 1991 Defense Minister Fur suggested that defense expenditures should be no more than 3% of national GDP and that the military should account for no more than 0.6-0.8% of the country's population (*Defense Minister Outlines...* 1991). With a

population of roughly 10 million, this would mean a military of between 60,000 and 80,000 troops. During the decade of the 1990s, the defense budget never approached 3% of GDP and the troop strength neared one-half of Fur's recommendation by the end of 2000.

Government critics of the military point to nominal increases in the defense budget every year, except for 1995, and suggest that the financial deficiencies are the product of financial mismanagement by the General Staff that could have been avoided had more transparent budgeting procedures been implemented. A typical criticism on this point was voiced by the defense ministry's political state secretary, István Fodor during an interview in 1995. When asked about the budgetary aspects of civilian control, Fodor agreed that the budget, as it was then formulated and spent, was impossible to supervise (Vereckei 1995). He explained, "The army budget allocates funds to various places, like land forces, air forces, and so on, and the papers do not specify whether we buy T-72 tanks, MiG-29 aircraft, or underpants for our soldiers with the money."

The military response to the budget battles was that the nominal increases in the defense budget totally disregarded inflation, which resulted in decreases every year in real terms. For example, when the 1991 budget was passed allocating 54.4 billion forints to defense (a nominal increase of 14 billion over 1990), it fell 20 billion forints below the 70-75 billion the defense ministry estimated would be required to maintain the army at 1990 levels, accounting for the 30% inflation rate for 1990 (Reisch 1991, 18). The same debate occurred in 1995 when negotiating the 1996 defense budget.

According to the defense ministry, at least 80 billion forints would be needed to maintain the army's ability to function and another 10-15 billion would be needed to launch the reform process (Levai 1995). The Finance Ministry's offer was 77 billion forints. In campaigning for more funding, Defense Minister Keleti pointed out that using 1990 as a base year valued at 100%, inflation had reduced the value of the current defense budget to 40% of the 1990 level (*Keleti Discusses Army Financing... 1995, 1*).

An abundance of further examples of this on-running give and take between the defense establishment and the government's budgetary authorities exist, but the point to be made here is that Hungary's financial realities played a major role in the availability of funds for defense reform. The question of mismanagement versus insufficiency of funds is akin to the chicken and the egg mystery. There is little doubt that efforts by senior military leaders to retain as much operational and discretionary authority as possible over the management of the military's activities, as described in the earlier ministry integration discussion, led to decisions that slowed the dismantling of the conscript- and officer-laden Soviet style army. Combine these decisions with the realities of old equipment, shortages of spare parts and deteriorating living conditions for troops and the effect is a military budget that became overwhelmed with basic operating expenses, leaving little or no money for the cost of reforms.

To illustrate the point, Table 7 below shows the comparison between the percentages of the defense budget spent on operations (wages, equipment operation and maintenance, etc) and those spent on investment and development (infrastructural



improvements, housing construction, equipment purchase, etc) between 1991 and 1998. The data reflects a steady decrease in investment with most of that loss going to operations. The notable exceptions are seen in 1997 and 1998. The increase in investment spending in 1997 was due to a doubling of the housing construction and infrastructural renovation budget over 1996 (Kereszty 2001, 356). In 1998, the significant increase was for the purchase of new air defense rockets (Hungarian Ministry of Finance, 1998 Budget). While the 1998 figure looks impressive in comparison to earlier years, in 1997 Defense Minister Keleti estimated that the ministry would have to devote 20-25% of the budget to investment and development if the army was to be able to fulfill its NATO obligations (Freesz 1997). By 2000, the situation had reverted to the 1990s trend with less than 5% of the defense budget allocated to development (Gati 2000).

Table 7. Hungarian Defense Budgets 1991-1998 (Operations vs. Investment)  
(Millions HUF)

	1991	1992	1993	1994	1995	1996	1997	1998
Expenditures	53,800	61,216	67,491	67,966	76,937	89,344	100,917	122,503
%age Operating	82.9	84.7	88.1	89.4	88.1	88.2	89.4	82.8
%age Invest/Develop	12.4	9.2	7.2	5.2	5	4.9	7.7	15.1

(Source: Kereszty 2001, 356-359)

The shortage of funding was not just a problem for investment and technological development. It also had a severe impact on routine training capabilities of the military units and the ability of Hungary to provide troops for international

commitments. Live fire exercises for the army virtually disappeared for the average operational organization and flying time for pilots was severely reduced, except for those designated as NATO qualified. In 1996 the statistics were gloomy, but they only worsened as the decade wore on. During a March 1996 visit to the MiG-29 base in Kecskemét, I met with a group of MiG-29 pilots to ask them their opinions of the new aircraft that they received in 1993 from Russia as part of a negotiated debt payoff arrangement. While they were unanimous in the aircraft's handling capabilities and the vast tactical advantages it offered over the worn-out MiG-21s they had been flying, the common frustration was a lack of flying time to hone their war fighting skills. On average they told me they flew 5-6 hours per month. By 1998, the squadron of 40 pilots had been divided into a group of 12, who were designated as "NATO-qualified," and the rest who were to serve as a part of Hungary's air defense umbrella. The NATO norm for fighter pilots is 160-180 hours per year. Hungary's top pilot at the Kecskemét Air Base, Gyula Vari, flew 63 hours in 1997 and was scheduled to fly only 45 hours in 1998 (*Hungarian Air Force Readiness Questioned* 1998, 1). A significant portion of those hours were flown as an instructor pilot, where Vari would sit in the rear seat observing and instructing as opposed to practicing for his own proficiency. Additionally, of the 12 pilots that were designated for NATO duty, only Vari and one other was qualified to perform combat tasks in both daylight and nighttime conditions. The remaining ten were daylight only qualified. In 2000, the numbers remained about the same with the NATO pilots flying approximately 60 hours per year (*Hungarian Air Force Unable...* 2001, 1). To put these numbers in

perspective to the US Air Force's flying time standards, during my 12 years of active flying as an instructor pilot and bomber pilot I accumulated approximately 3100 hours of flying time, which leads to an average of nearly 260 hours per year or 22 hours per month.

In addition to the lack of training time, the MiG-29 fleet is also in dire need of spare parts and equipment updates. As of March 2001, over half of the 27 aircraft are unflyable due to the need for spare parts (pg., 1). To make matters worse, the aircraft that are flying are only doing so by using parts off those aircraft that are not flying. This practice of cannibalization of bad equipment to keep useful equipment operational is prevalent throughout the Hungarian military, not just in the air force.

The equipment modernization issues are vital for the use of the MiG-29s in any joint mission with NATO aircraft. During the Kosovo Crisis, Hungarian MiG-29 and MiG-21 aircraft were not allowed to fly without specific permission from NATO air controllers because they lacked the communication radar that permitted NATO fighters to distinguish them from Serbian MiG-29 aircraft. Despite urgings from NATO leaders, this modification was still not accomplished as of the fall of 2000. It is interesting to note that this relatively inexpensive modification was just what US Defense Secretary Perry was referring to when he stated, as one of his four principles for NATO expansion, that new members must be capable of operating with NATO military forces. Nearly six years after he gave that speech, and four years after being offered an invitation to NATO, Hungary still was not able to fulfill this requirement.

Revisiting the governmental accusation cited earlier in this chapter that the defense ministry's budget problems are self-inflicted due to financial mismanagement, the question arises as to who controls the defense budgets once Parliament approves the annual appropriations. According to information collected in 1999 in interviews with defense and government officials, not even the bulk of the defense ministry knows the full answer to that question. A common complaint voiced by unit commanders was that they had no control over their budget (Interview, see fn. 1). It was centrally controlled by the leadership of the ministry. Each unit was assigned at least one ministry representative to oversee its expenditures. It is important to note here that the importance of this ministry oversight at the unit level is, in part, due to the fact that each unit (until the 2000 budget) was responsible for generating income to meet its annual operating expenses. The ministry wanted to insure that budget shortfalls were due to legitimate causes as opposed to possible "mismanagement" of the generated income (Interview, see fn. 1). As an example of the amounts referred to here, in the 1999 defense budget of 164 billion HUF, nearly 30 billion (approx. 20%) was left to the ministry to generate (Hungarian Ministry of Finance, 1999 Budget). The central government budget contributed the remaining 134 billion. The sources of generated revenues include the sale of defense real estate, renting of defense facilities for private use, etc.

One area in which the government does bear the responsibility for the defense ministry's financial woes is in the funding of Hungarian participation in NATO operations. It has been the practice of the government that such operations must be

funded by the defense ministry's annual budget. This has had severe impact on the money available for reform. In 1999, the defense ministry had to postpone NATO-required developments to MiG-29 aircraft and T-72 armored vehicles and reduce the 100-flight hour budget for the 12 NATO qualified pilots in order to pay for the 350-man troop deployment in support of KFOR (*Army Postpones NATO Development...* 1999, 1). The postponement of these equipment modernizations can significantly impact Hungary's ability to operate with fellow NATO forces. For example, the MiG-29 modernization in question was the replacement of its identification radar. This radar is used by ground and air surveillance platforms to identify an aircraft as friendly or hostile. Because the Hungarian MiGs were not modified with a NATO compatible system, they were grounded during the Kosovo Crisis. Still equipped with Soviet radar, the Hungarian aircraft could not be distinguished from the Serbian MiG-29s. As a result, Hungary was at the mercy of NATO AWACS and American F-15 aircraft for its air defenses during the spring of 1999. The only time Hungarian aircraft were allowed airborne was when specifically granted permission by NATO air controllers who could insure they would not be mistakenly shot down.

The decision to deploy Hungarian troops is a governmental decision. The cost of the deployment is one financial burden for the defense ministry, but it is not the only one. In order to maintain readiness of the engineering and medical battalions usually offered by the Hungarian government for these operations, significant operational funds must be dedicated to their training. Coupled with the requirement to maintain the readiness of the NATO-designated pilots and a rapid reaction force for short-notice

peacekeeping operations, the military's flexibility in deciding between reform and operations is greatly reduced.

In examining the financial state of the defense budget it is also important to put it into perspective with the overall state budget of Hungary. As noted earlier, the trend since 1990 has seen a steady decline in defense expenditures as a percentage of GDP. But equally disturbing is the similar trend in the steady decline of the defense budget as a percentage of the overall state budget. Table 8 below illustrates this point.

Table 8. Hungarian Defense Budgets 1989-2000  
(% of GDP and State Budget)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
% of GDP	2.8	2.52	2.32	2.23	2.05	1.72	1.4	1.34	1.22	1.35	1.51	1.6
% of State Budget	n.a	n.a.	8.16	6.39	5.15	4.6	3.78	3.87	4.23	3.94	4.3	n.a.

(Source: Kereszty 2001, 359 and Simon 2000, 3)

The data in Table 8 illuminates the financial crisis facing the Hungarian military. In every measurement, the budgetary allocations to defense have declined by nearly 50% since the transition to democracy. This slide down the budgetary ladder has continued even in the later years when Hungary was experiencing 8-10% GDP growth per year. It also has continued at a time when other sectors of the government have benefited from Hungary's economic success. The Ministry of Agriculture, for example, enjoyed an 18% increase in its budget between 1997 and 1999, as measured by its percentage of GDP and share of the state budget (Hungarian Ministry of Finance). The lack of significant increase for defense during a time when the

government is presumably trying to demonstrate to NATO its sincerity in being able to meet its membership obligations is as noteworthy as the greater increases for the agriculture. Despite the increases in GDP, the priority given defense at the “crucial” time of NATO decision making concerning new members, as measured by the percentage of the state budget, stayed relatively constant. As noted earlier, the most recent time estimates for Hungary’s fulfillment of its 1.81% GDP allocation to defense per its agreement with NATO is 2004, despite 2001 being the previously negotiated deadline. Even at the 1.81% level, Hungary will remain below the 2.5% NATO average and the 2.2% European NATO average for 2000 (NATO Handbook 2001, 215). As another point of reference, the Czech Republic spent 2.2% GDP and Poland spent 2.1% GDP on defense in 1999 (pg., 215).

### **Conclusion**

In the final analysis, both the government and the military must share the responsibility for the budgetary impact on defense reform. By maintaining much of the mass conscript army’s infrastructure into the late 1990s, the military was required to spend exorbitant percentages of their budget on basic operational needs, leaving little flexibility to make necessary modifications to key NATO-targeted forces and equipment. Due to the government’s requirement that NATO and peacekeeping taskings, regardless of how unplanned they may be, be funded from the defense budget rather than through special parliamentary budgetary authorizations, the participation of Hungarian troops in such operations as KFOR and SFOR put tremendous burdens on limited defense resources.

But, these two factors ignore the larger issue. The tale of the budgetary tape comes down to politics. Throughout the 1990s the military and government were continually reminded through polls and parliamentary debate that the population was not overwhelmingly supportive of the military or the expenditures necessary for it to operate. The government and military share in the failure to persuade the public that the adequate funding of the military is important for the future security of Hungary. Absent of achieving that public awareness, 40 years of resentment from the communist period and continuing perceptions that no real threat exists will keep the public, at best, ambivalent to the military and its future. With the constant social and political competition for limited budgetary forints, and without sufficient public support of the armed forces, the politicians will continue to fund defense at the current bare-bones level. This low funding will, in turn, sabotage the reforms necessary to transition the Hungarian military from a relic of the Cold War to a modern democratic armed force prepared to stand beside its NATO partners, not be carried on their backs.



## **CHAPTER VII**

### **CONCLUSION**

#### **Why Reform Failed**

The story of defense reform in Hungary since 1989 is a complex saga that involves the ghosts of forty years of communism, the painful realities of the transition to democracy and a market economy and the unclear politics of integrating into a western world dominated by the new lone superpower. The legacies of the communist period underlie nearly all the environmental factors affecting reform. Low social esteem for the military, few civilian defense experts, military leaders desperately trying to maintain the last vestiges of power they enjoyed before the transition and a military officer corps struggling to graduate from technicians to tacticians and strategists are all products of the long years under Soviet control in the Warsaw Pact. Western analysts predicted throughout the 1990s that many of these legacies would take at least a generation to overcome. This may prove to be an optimistic estimation.

While the lingering effects of the communist era have undeniably impacted the Hungary's transition to democracy and a free-market economy, the major reasons for their failures in reforming the defense establishment are more of their own doing. The instability of the organizational structure of the defense ministry, the failure to develop a cadre of civilian experts and military strategists, and the unwillingness to prioritize national annual budgets in order to fund defense reform have resulted in a depleted military unable to fulfill its obligations as a full member of NATO.

While the legal parameters for democratic civilian control of the military were quickly established through Constitutional amendments and Constitutional Court decisions, frequent ministerial reorganizations jeopardized the practical exercise of that control. Civilians ignorant in defense matters were placed in leadership positions due to their political party affiliation. During the Horn government, the ministry was effectively returned to military control under the leadership of retired Colonel Keleti. He replaced nearly all of Antall's MDF civilians with active or retired military officers. This did not alleviate the oversight role of inexperienced civilians in the government and Parliament. The election of Orbán to the premiership in 1998 intensified the partisanship in the ministry because of the decision to award the defense portfolio to the junior coalition party. Defense Minister Szabó's lack of defense-related experience was overcome by Orbán's appointment of Tamás Wachsler, an Orbán supporter, to the position of Administrative State Secretary in the defense ministry. In this position, Wachsler effectively ran the ministry.

Despite all the changes made in the ministry, presumably in an effort to solidify democratic civilian control over the military, the most important organizational reform was left undone. Civil-military relations rely on clear chains of command and accountability. During the decade of the 1990s, the Hungarian government, Ministry of Defense, and General Staff were never able to agree on a reform plan that would integrate the General Staff into the ministry's staff structure. Although this one element of the larger reform requirements was repeatedly and insistently advocated by British, Germans, and American advisors and consultants, partisan politics and

military parochialism prevented it from being implemented. The military feared it would lose too much operational autonomy and the civilians could not put the interests of reform ahead of the interests of party. For all the effort spent to distance the new Hungary from the Communist Hungary, in many ways, nothing changed. Party still trumped national interests and the military avoided a civilian takeover at the MOD.

To imply that the organizational instability during the 1990s was only a product of partisanship would be an unfair generalization. In many ways, the partisan staffing of the defense ministry was the logical alternative when there were no experts to call into service. It has been charged in the previous chapters and by several Western analysts that one of the fundamental liabilities of defense reform in Hungary is that it has been attempted with no long-term strategic vision. The analogy has been used that the process of formulating defense reform in the 1990s was similar to driving a car across Europe without a roadmap. One can make real good time, but they probably will not know where they are going. As NATO's commitment to enlarge became firmer after the Brussels Summit in 1994, the race was on to see which countries would make it to Brussels first. In Hungary, the race was being run without knowledgeable civilian and military leadership.

Hungary's failure to develop the requisite cadre of civilian defense experts and strategically-trained military officers created a void in the defense establishment, the filling of which was left to Western advisors and consultants. The excuse that Hungary had few civilian experts and few officers trained in strategic planning because of the policies of the Communist Party against civilian education in defense

matters and the Soviet domination of Warsaw Pact strategic concerns can be used for the short term. But more than a decade has passed since the end of communist control over education and the military. Without individuals with the special skills and knowledge to manage a democratic army, Hungary floundered through unsuccessful attempts to create effective civilian control over the military and to develop national security strategies, military strategies, and military doctrine that accurately reflects Hungary's position in the international arena and its realistic capabilities to defend its interests in that arena.

Civilian expertise is vital to the success of a democratic military. It affords policy makers a view to problems alternative to that of the military. For members of oversight organizations such as Parliamentary Defense Committees, expertise in military matters determines the difference between true oversight and just Constitutional eyewash. Civilian expertise also provides the public with a source of information on defense issues that has greater chances of being unencumbered by the military's or the government's agenda. Civilian expertise allows for the creation of the independent research institutes Stepan and Joó champion in their works on civil-military relations. Research institutes play a major role in the United States as a provider of expert information to public and private consumers and as watchdogs of public policy.

For military officers, the training and education required to be developers of strategy and doctrine, not just implementers, is an important part of the maturation process of all Western officers. Schools such as the U.S. Air Force's Air Command

and Staff College and the U.S. Army's War College are just two examples of institutions that are responsible for preparing American military officers to be the future military's generals. During the communist period, this level of training was reserved for Soviet officers and a select few allied military representatives. The result after the transition was that the military leadership was not intellectually equipped to assist in the development of Hungary's new national strategy and military strategy/doctrine. Once again, Western advisors have stepped in to aid the Hungarians where appropriate and possible.

Sound civil-military relations, founded on clearly demarcated jurisdictions for civilians and the military and enhanced through an educated dialogue between military and civilian experts, are an important foundation in transitioning from any non-democratic regime to a democratic one. But in the final analysis, reform takes financial support and the commitment of the government to honor its obligations to provide the means with which the army can defend the nation. The key for this to happen is public support. In a democracy, the public is the ultimate arbiter of government decisions. If government does not reflect the views and protect the interests of the majority of the public, it is replaced with a government that says it will. In Hungary, public support for defense has not been strong since the transition. Perceptions that the military was an integrated part of the communist regime, somewhat validated in the minds of Hungarians due to the army's lack of action in 1956, have left their mark on the society's esteem for the military. The fact that few Hungarians believe that there exists an immediate threat requiring potential military

action also makes it difficult for the military to generate overwhelming public sympathy for its demands of larger budgets.

In addition to lingering memories of the communist period and a sense of security among Hungarians, NATO's failure to provide compelling incentives to reform its defense establishment provide politicians the flexibility to favor social priorities over defense in the creation of budgets during the 1990s. The political basis on which new NATO members were chosen marginalized the vague military requirements stated in the Perry Principles and NATO's *Study on NATO Enlargement*. This combination of ambiguous reform guidance and little plausible threat that reform failure would result in no invitation to membership made it easier for government policy makers to favor those programs with large public appeal over defense. The depleted Hungarian military of today is the result of those government choices motivated by public opinion.

### **Why it Matters**

In November 2002, NATO members will gather in Prague, Czech Republic to consider the applications for membership of nine former communist states, Estonia, Lithuania, Latvia, Slovakia, Slovenia, Romania, Bulgaria, Albania, and Macedonia. While the fate of each individual state is unknown, it is widely believed that there will be at least two (bettors are picking Slovenia and Slovakia) of the nine states invited to officially join the alliance at some future summit, most likely in 2005 or 2006 (Simon 2000, 1). What NATO will receive from its newest members is dependent upon how

well NATO learned the lessons from the accession process of Poland, Hungary, and the Czech Republic. Many of those lessons emanate from the Hungarian case.

During the 1990s NATO took a decidedly hand-off approach to mentoring Hungary's defense reform program. Even in cases where specific guidance was requested, NATO responded with generalities for fear of being seen as just a nicer version of Moscow (Interview, see fn. 1). The result was three floundering states trying to hit a target no one can see and no one is willing to shine a light on. If NATO learns anything from its first post-communist enlargement experience, it should be that reform is not guaranteed with clear and specific goals for potential members, but it is almost certainly doomed without them. NATO and its supporters would respond to this by producing a copy of NATO's Membership Action Plan (MAP). This concept, developed in 1998-99 as a response to Hungarian, Polish, and Czech criticisms concerning the lack of clear guidance, is designed to provide an authoritative, jointly agreed set of targets for wide-ranging political and civil-military reforms (Simon 2001, 2). Unfortunately, former colleagues of mine now working at US European Command do not give the "authoritative" aspect of this description much credibility. They suggest that the MAP does give more definitive criteria for progress toward membership, but if those criteria are not met, as measured by assessments teams from NATO, there still is no real threat that membership potential will suffer (Interview, see fn. 1).

Another lesson from the Hungarian case that NATO would be wise to heed concerns the effects of disqualifying new members from bilateral assistance programs

immediately upon acceding to full membership. In my research time in Hungary it was repeatedly made clear that Hungary's loss of important PfP funding for sponsorship of Hungarian attendance at Western military schools had a direct impact on the numbers of officers and civilians Hungary sent to those schools after its March 1999 accession. The apparent NATO approach that once countries become members, the government and/or population is going to miraculously find extra millions of dollars in the state budget to continue the programs once funded by assistance programs did not work in any of the first three entrants. Table 2 in Chapter Five provides an example of the effect lost funding had on continued attendance at Western schools, in this case the Marshall Center in Germany. These educational programs are vital for sustaining a serious effort in developing civilian defense expertise and military acclimation to democratic standards.

In addition to the lessons concerning clear guidelines and continued funding assistance for reform programs, NATO also may need to adjust its expectations in terms of speed of reform and the degree to which the former communist states are able to imitate NATO powers like the United States and Great Britain. Communism was more than an economic system of ownership. It encompassed an ordering of society and social expectations from government for wide ranging services and benefits that are not the norm in many Western countries. It will take considerable time for those expectations to disappear. It may take even longer for government to realize that it cannot provide everything to everybody.



Considering the length of time Hungary lived under the precepts of Soviet communism, its membership in NATO a mere 9 years after the first democratic election is remarkable. But, it is not the fully contributing member that it and NATO would like it to be. And it won't be for many years into the future. Given that Hungary is considered one of the shining stars of the post-communist transitions, and it has experienced the difficulties it has in its integration with the West, NATO would be well-advised to set reasonable expectations for what the list of potential new members may be able to achieve. Countries such as Bulgaria and Romania have not experienced the economic success of Hungary, and have not yet endeavored to fully implement the painful process of downsizing their large mass armies. When this process does begin, monies will be limited for equipment modernization, participation in NATO exercises and operations, and the reorganizations that will surely be required to align their military structures to those of NATO. In response, NATO will need to be patient, yet firm in its continued insistence for eventual success. As General Wesley Clark, former Supreme Allied Commander, Europe, explained when asked about his critical remarks in a 1999 report about Hungary's slow pace of reform, his comments were made in order to foster the development of the Hungarian armed forces and improve defense capabilities (Dunay 2002, 15). This display of "tough love" will likely be a constant between NATO and the former communist states of East and Central Europe for many years to come.

If the speed with which these aspiring NATO members can be expected to achieve some semblance of becoming a contributing alliance partner is less than earth shaking,

the degree to which they will resemble their more democratically-mature Western neighbors may also be somewhat less than ideal. Despite what it may or may not wish it could do, NATO cannot force East European publics to love the military, love NATO, and petition the governments to spend 25% of their budget on defense. It also cannot erase the 45 years of communist dictatorship often enforced by elements of these very same national armies. The historical experiences are there. The political traditions are there. Public perceptions are their reality. These will all influence the degree to which any of these former communist states can achieve a true West European-style democracy. Hungary, again, provides a good example of this. Western consultants I spoke with in Budapest were quite frustrated that the best advice and organizational models they could provide were repeatedly set aside. The comment by the senior military officer at the briefing of the British study is illustrative of the attitude that older Hungarian officers conveyed. There is a sense of national pride that must be respected by NATO and its member states wishing to advise new members on how it is done.

Getting back to the question posed in the header for this section, why do Hungary's reform failures matter, it matters because of the above lessons that can be learned and the opportunities Hungary's failures present. If NATO's new charter is to promote democracy by creating a "whole and free" Europe, the landscape of Eastern Europe, the Baltics, and the Balkans offers ample opportunities for NATO to make its case and show its stuff. The Prague Summit will provide the answer to just how much of a challenge NATO is ready to face. It is commonly accepted that there are four primary

options open to NATO in Prague (Simon 2000, 3-4). The first option is to reassert its commitment to the provisions in Article 10 allowing for enlargement, but invite no new members at the present time. The danger in doing this would be that it sends a signal to the nine candidates that the promise of future enlargement made at Madrid in 1997, and repeated in Washington in 1999, was just for show. The second option is to invite one or two candidates to begin accession negotiations. The trouble here is who are the two and how do you convince the other seven that they really do have a credible chance for future membership. Option three is to invite all nine candidates, but make it clear that actual membership will not be granted until all MAP criteria are achieved. This is the obvious choice of the candidates, but poses the same question that was posed in 1997. If you invite all the candidates, considering NATO's rather modest record for enforcing its own criteria, what is to prevent them from taking a heavy sigh and doing essentially what Hungary did between its invitation in 1997 and its accession in 1999, not much? The fourth option is similar to the first in that it does not extend any invitations at Prague, but it does offer a timeframe for future reconsideration. Similar downsides to this option exist as to those for option one. The challenge is to maintain the democratization and defense reform momentum currently evident in some aspiring countries.

Whether it is for the lessons learned or the opportunities presented, Hungary's experience as one of the first post-communist states to join NATO is a case worth studying for NATO's future benefit. The challenges with which Hungary struggled to bring down the mass army of its Warsaw Pact years and to establish democratic

civilian control over its military are not over, but progress has been made. The task ahead is to gain the public's confidence and respect in its military establishment. This will engender support for defense spending and motivate civilians to pursue education in the fields of national security policy and defense management. Through these two things the state of the Hungarian military will improve dramatically. Increased funding will permit adequate training, regular investment, and better living conditions leading to higher morale for the men and women in uniform. More civilians knowledgeable in defense-related fields will provide better-informed civilians to control and oversee military affairs, greater pool of qualified people to serve in the civilian positions in the ministry, thereby reducing the current trend of partisan appointments, and a motivation for military officers to become partners with civilians in defense rather than resentful antagonists. The future for the Hungarian military has the potential to be very bright, but it will not happen without constant effort from all segments of the defense establishment, support from the population, and assistance from Hungary's friends.

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